THE FINANCIAL POST

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The Nation's Business

Ottawa Must Lead In Stopping Waste

Questioned as to value received for government expenditures last week, Finance Minister Ilsley came forward with a frank and clear statement in regard to war spending.

"When I get letters pointing out instances of what is or appears to be extravagance in governmental expenditures," he said, "I always take it up with the departments concerned and in practically all cases there is a fairly satisfactory explanation." Mr. Ilsley then went on to point out that "in a huge war effort such as ours" there are bound to be some individuals in responsible positions whose performance may not be perfect and there may be some money wasted.

Such a situation, provided continuous remedial pressure is applied, is understandable. It would be a miracle if in a war effort of the present magnitude, some mistakes were not made, some human cogs did not fail. And Mr. Ilsley's further statement in this regard is reassuring. He said:

> "In war expenditures, in anything connected with the war, we have made from the beginning a strong point of the principle that there should not be any politics in it. We have had some little trouble with some of our people because they did not agree with that. But we have repeatedly taken the position that we cannot ask the people to put up huge sums of money for a war of all the people and have favoritism as between parties in the expenditure of that money."

Just as frank but far less reassuring was Mr. Ilsley's statement regarding non-war expenditures. Hansard reports him as follows:

> "I do not know about non-war expenditures. As a matter of fact I have not felt any particular obligation to go into that question as Minister of Finance, in regard to non-war expenditures. I presume that the normal practices prevail."

Presumably, "normal practices" referred to patronage. At least, that is what was under discussion at the time.

As Minister of Finance Mr. Ilsley must take the responsibility for supervision of all expenditures, war as well as non-war. He has been placed in his position to insure that the people of Canada get a dollar's worth of goods or services for each dollar collected and spent, and at this time of universal sacrifice Ottawa must set an example.

• • •

GOING TO GET BETTER WEAPONS

For some weeks now, The Financial Post has been urging the establishment of a North American Council of Design and Development for war weapons.

What we suggested was that the engineering and production genius of Canadian and American laboratories and industries be mobilized to get better guns and tanks than we now have; and better guns and tanks than the Germans have.

The New York Times, in a news despatch from Washington, confirms that such a proposal was actually laid before officials there by Lieut. General McNaughton, during the latter's recent visit.

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It is gratifying and noteworthy that Canada has taken the initiative in promoting such a development. An Army Technical Development Board has now been established at Ottawa to direct and pursue research on the improvement of weapons of war. It is officially stated that the work will be co-ordinated closely with ordnance research in both Great Britain and the United States.

Simultaneously with the announcement General McNaughton issued a statement urging the establishment of a North American Production Council. The new board at Ottawa was the first step towards such a council, he said. Ultimately the proposed council, he said, would embrace representatives from all vital North American production offices.

This is important progress towards the attainment of an essential objective.

• • •

There are two chief aims that new technical research in weapons will seek to achieve:

> First, to adjust British blueprints and specifications to mass production in North America. British industry uses one set of standards and specifications, and one type of manufacturing technique. Over here, we use other standards and specifications and another manufacturing technique. Up to now, we have been trying, too often, to gear up Canadian and American industries to produce from British blueprints. Endless delays have resulted.
>
> Second—and this is much more important—to design and create much more powerful and effective weapons than anything now in use: such as guns with higher muzzle velocity, tanks with more efficient transmissions, sturdier and simpler transport.

Canada's new board is in the best traditions of General McNaughton's brilliant application of ideas and research to practical uses. There should be no delay in setting up the North American Council of Design and Development.

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ARE WE ONLY 25-30% ALL OUT?

The Winnipeg Free Press has been doing some research on Canada's war effort.

In essence, what it thinks it has found is this:

That the official estimates of "national income" used from time to time by Prime Minister King and Hon. J. L. Ilsley are too low.

That estimates of the cost and extent of Canada's war effort are too high.

That our war effort "in relation to what it might be, is smaller than was believed. It is probably between 25 and 30% of our true national income and not nearly 44% as Mr. King declared."

Already there is evidence that this discovery by the Free Press's Ottawa correspondent, A. Grant Dexter, is having some effect in jolting official complacency at what is being done. It is unlikely, for example, that the government will attempt to repeat the use of their present yardsticks of income and war expenditure without some further careful investigation of the facts.

It must come as a shock to the Free Press to discover that Canada's war effort is not all it has previously stated it to be. As late as November 19 last the Free Press stated on its editorial page that Canada's war effort represented 45% of the national income (Mr. King only said 44%); and that it was moving at break-neck speed to the absorption of the whole resources of the nation. The Free Press was ironical about those who would "blacken their country in the eyes of their fellow-countrymen and of the outside world" by criticism of Canada's war effort.

Now the Free Press, which waxed so sarcastic about "defeatist battalions of gloom" goes to the other extreme and minimizes what this country is doing. It has made "a Voyage of Discovery" and learned—or so it thinks—that "Canada, after two years of intensive effort, has not yet achieved a real war economy." It concludes that "we must push forward and that, to match the war effort of our principal allies, much more remains to be done."

However, the Free Press's curious editorial policy is less important than the facts. The essential consideration is to weigh Mr. Dexter's findings and ascertain what is needed now to rectify any possible shortcomings in Canada's war programme.

The Financial Post suggests three recommendations which have been carried in essentially the same form, at the top of The Post masthead, ever since the outbreak of war. They are:

1. Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.
2. A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.
3. An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.

Plan Drastic Moves on Wool

Supply Position Serious Hence Many Sharp Reductions on the Way

By STAFF WRITER

OTTAWA.—Counting sheep is no longer a sleepytime job as Canada takes stock of present and potential wool supplies in order to meet the threat of severed supply sources in Australasia.

Last year Canada consumed 110 million lb. of wool (greasy basis) apart from yardage imported in the form of wool cloth. This is 80% greater than consumption in the five prewar years, it is 7.5 million lb. greater than 1940.

Of the total, only 15% came from Canadian sheep; about 75% either directly or indirectly from New Zealand and Australia. The rest was largely from other Empire sources, chiefly South Africa and India.

Both civil and military authorities have more than average stockpiles but present plans for conservation and enlargement of domestic supply are based on the assumption that Australasia can no longer be counted upon.

Plan Way Out

To spin out present stockpiles and provide alternate new sources of supply, here are some of the steps now contemplated. They aim to put off as long as possible the use of coupons for rationing. How long this can be averted remains to be seen.

1. Encouragement of Canadian wool production through higher prices to farmers, patriotic appeal, etc.

2. Development of South American supply sources probably through removal of duty of 10 cents per lb.

3. Lowering percentage of pure wool in army and civil cloths and use of wood pulp (synthetic wool), etc.

4. Standardization and streamlining of trade specifications to reduce cloth requirements in individual garments.

Indicative of this new policy was the order advancing the date when the new regulations regarding men's suits came into force.

Protests Members Unable to Get Information

According to a Canadian Press despatch, Angus MacInnis (C.C.F., Vancouver East) protested the inability of members of the House of Commons to get information on munitions production. He said he has asked for information on the building of corvettes and had been told it was "not in the public interest" to disclose it.

Then, he said, he had found all the information he asked for in The Financial Post.

Protesting that "This treatment is not good enough for this House," he asked who gave the information to the newspaper and whether it was correct. If it were hot correct or if it were correct and the government's statement that disclosure was not in the public interest were correct, the newspaper, he said, should be prosecuted.

Note: Information published in The Financial Post with respect to shipbuilding has been compiled from information supplied by officials of the Department of Munitions and Supply.

Mapper of Man Power

—Photo by Karsh.

What may prove to be one of the toughest jobs in wartime Canada has been handed to Elliott M. Little, newly appointed director of National Selective Service in Canada. Little's big job will be getting the new man power programme into gear, moving workers from non-essential jobs into places more closely allied with the war pattern. Manager of Anglo-Canadian Pulp and Paper Co. this 43 year old University of Toronto trained engineer is taking over the chair as Canada's man power czar after a year with the Wartime Bureau of Technical Personnel where he has been doing a bang-up job in placing engineers, chemists and other technically trained men.

How Man Power Order Works

Many Aspects of Plan Affect Business

By STAFF WRITER

OTTAWA. — First steps toward complete mobilization of Canadian man power were taken this week when jobs of between one and two million Canadian wage-earners were stabilized under 42-year-old Elliott M. Little, Canada's new director of National Selective Service.

Highlights of new powers granted Mr. Little under the Minister of Labor, include:

1. Barring of all new employment, (except by permit) of men of military age (17 to 45) and fitness in a wide list of "non-essential" industries and occupations. Industries and occupations covered in this order employ well over a million persons.

2. Freezing of all farm workers except to permit voluntary enlistment in the armed services and seasonal employment in primary industries.

3. Creation of a technical pool embracing all professional engineers, scientists, chemists, architects. Employers of all such persons whose services are required for the war effort are henceforth obliged to release these men and reinstate them after the war.

Further Extension

To carry out these wide powers (which will later be extended to skilled workmen in certain industries) the following machinery is created:

1. Establishment under Mr. Little of National Selective Service Officers in each of the 100 local employment and claims offices of the Unemployment Insurance Commission, now operating throughout Canada. These officers will be responsible to Mr. Little and have local charge of the selective service programme in their respective areas.

2. Establishment of a central registry under the Department of Labor to build up a complete inventory of man power available for war and essential civilian services.

(Mobilization of industrial man power will henceforth be effected through the Employment Service of Canada. The only function to be retained by the National War Services Department will be the calling up of men for military training and service).

3. Appointment of a National Selective Advisory Board under chairmanship of the Minister of Labor to advise on major questions of policy. This Board will include members of the present Interdepartmental committee on Labor Co-operation; members of the National War Labor Board as well as additional members representing agriculture and women.

4. Appointment of a Director of Personnel Training to direct sound personnel management policies in industry and stimulate training and placement of such persons (supervisors, personnel managers and foremen) in industry.

5. Extensive application of a wide list of steps aimed to bring women into industry.

Extend Age Limit

Alongside this man power programme the government has announced extension of the age limit for compulsory military service (in Canada) from 24 to 30. In future these men (unmarried or widowers without children) are to be selected for service by drawing lots over the whole field subject to the proclamation. Liability for compulsory service, formerly confined to citizens of Canada, is now extended to all residents of Canada whether citizens or not.

The government has also announced an extended programme of reconditioning men to fit them physically for military service.

On and after March 23, 1942, no male person shall accept employment, and no employer shall engage any male person in any of the restricted occupations, unless such person presents to the prospective employer a birth certificate or other incontrovertible evidence that his age is less than 17 or more than 45; or a certificate of honorable discharge from the armed forces; or evi-

(Continued on page 2, col 1)

Co-ordination Body For War Mooted

Plan Full-time Expert Group Behind Cabinet to Pull Together All Phases of War Effort, Increase Total Effectiveness

By KENNETH R. WILSON

OTTAWA.—Canada may shortly enter a new phase in its war effort, involving some form of High Command to integrate and plan for "total war."

Paralleling appointment of Elliott M. Little as Man Power Director came the blunt warning from Prices Czar Donald Gordon, now regarded as a particularly important indication of what is going on in the official mind, that:

> " . . . a definite control of everything produced must be undertaken to decide, first, what is to be produced, second, who is best equipped and qualified to produce it, and finally, who is to get the production."

Selfish or private interest must be completely ruled out, said Mr. Gordon.

"The competitive system must go to be replaced with one which is based entirely upon the criterion of maximum production with the most efficient use of labor, machinery and materials to operate steadily without cease, except for necessary rest or maintenance.

"Obviously, no programme can be undertaken unless there is a clear plan of procedure and an integration beyond anything attempted."

Effort Not Enough

Just a few hours after Mr. Gordon spoke these words in Montreal a group of top-flight government economists and advisers met in Ottawa to discuss this very problem. Though their meeting was held quite unofficially and "out of working hours" it is reported to have reached virtual agreement that something must be done in Canada to integrate our war effort on the highest levels—political, economic, technical, military; that the old days of a "bits and pieces" effort with Canada acting in the role of "hired man" and making or producing only those things we were asked to produce by the senior partners in the war effort, were not adequate to the needs of the moment.

It was recognized that Canada must integrate her war effort with that of the United Nations but that Canada would not pull her full weight in the war until her entire economy is integrated by some form of "high command" which would be responsible for seeing that every phase of Canadian life and activity were operating on an all-out basis.

Realized for Some Time

Close students of the Ottawa scene have been conscious for some time that one of the biggest gaps in Canada's war effort is the lack of a responsible planning or integrating authority. Individual departments such as Munitions and Supply take matters in their own hands and expand production here or there where a need seems apparent. But there is lacking an integrated, planned attempt to develop Canadian resources or utilize man power except to the extent that this country is asked to produce material or supplies for Great Britain or the United States.

Politically the guiding authority in the war effort is the War Committee of the Cabinet. But this body is composed of busy men whose committee duties are devoted largely to discussion of proposals brought before it by individual departments.

The proposal emanating from this meeting was that some form of High Command be attached to the War Committee of the Cabinet either at the Cabinet or on the secretarial level and which would be available on a full-time basis to integrate the national effort.

Scour Whole Nation For Scrap Material

By STAFF WRITER

OTTAWA.—A new national salvage programme to broaden and co-ordinate [illegible] profit distribution in urban centres is being worked out for Canada.

Highlights of the new programme include:

1. A new central corporation (Dominion Salvage, Inc.) to arrange purchasing of certain types of salvage at uniform prices throughout Canada.

2. Co-ordination of salvage collection in urban communities through a central agency capable of extending collections to every household.

3. Provision to distribute salvage profits so as to make them available for financing of urban recreation services and facilities for troops in training.

It is no longer considered possible to limit salvage to those items and areas where its collection is commercially profitable, or to depend on individual collecting agencies which may only cover a territory spasmodically.

As well, the Department of Finance has now undertaken to provide out of public funds the money to carry on auxiliary war services in military camps throughout Canada. This leaves a gap in financing similar services in urban centres.

To fill this gap it is planned to finance these services in urban centres with the profits from salvage collection. Eventually, in at least the 27 communities which have co-ordinating committees for providing services to troops in training, these committees will be charged with responsibility for collecting salvage and the profits from this work will be used to finance such services.

Deny Advertising Order To be "Opening Wedge"

By STAFF WRITER

OTTAWA.—Restriction on certain types of advertising expenditure by the Wartime Prices and Trade Board is not to be construed as an "opening wedge" in any general policy of control, The Financial Post is informed.

In an administrator's order approved last week by J. A. Klein respecting the use of rayon, cotton, wool and mixtures thereof, manufacturers in this field are prohibited from sharing:

> ". . . in any manner with a retailer any of the costs of advertising made by such a retailer, except in the case of a nationally advertised line in which case co-operative advertising with retailers will be permitted to an amount not exceeding 3% of the total annual sales by the manufacturer to the individual retailer."

Another prohibition says:

> "No manufacturer shall hereafter engage, authorize or direct any person to demonstrate, advertise, or in any way promote in any retail store, the sale of any garment produced by him."

Board officials maintain that these prohibitions are not to be construed in any sense as an attempt to curb legitimate advertising. Rather they are an attempt to eliminate concealed price differentials and place trade practice on a more uniform basis.

Another restriction in the same order limits the amount which a manufacturer shall spend or obligate himself to spend on services called "American styling" to not more than two thirds of the amount of money spent in 1941. Manufacturers are permitted, however, to continue to honor contracts for style service now in force.

Advertising Tax Decision Deferred

By STAFF WRITER

OTTAWA.—Income tax officials are reserving judgment in respect to definition of "normal" and "contributed" advertising pending a country-wide survey through regional tax offices, The Financial Post is informed.

No information is available here as to just what information is being sought in this survey, but it is indicated that it will be another week or more before answers to the departmental quiz will be available in form to enable the government to make up its mind.

One form of advertising which it is known the department frowns upon is lavish expenditure on illustrated booklets and brochures.

British-hater Seeks Welcome

William Randolph Hearst Wants to Come Here

By STAFF WRITER

NEW YORK.—Under guise of planning to publicize Canada's war effort and tourist attractions among his reputedly four million subscribers in the United States, William Randolph Hearst is understood here to have sought Ottawa's invitation for a tour of Canada in forthcoming weeks.

Getting the blessing from Ottawa would likely mean that the publisher of the Hearst papers would, in addition to official notice and entertainment, like to have entree to arms and munitions plants.

The Lord of San Simeon who has, in his long lifetime, almost completely lost the vast fortune which he inherited from his mine-operating father and who has invariably failed, despite his one-time vast newspaper empire, to win enough confidence of his own people to rise to political office, is now reported too poor to hire the private railway car in which he has been accustomed to travel. He is said to have suggested to Canadian authorities that, in return for the very extensive and favorable publicity he is in a position to give Canada, he might be supplied with a private railway car.

The Attack Renewed

Noted here is the fact that Mr. Hearst's newspapers, which temporarily dropped their anti-British campaign after Pearl Harbor, have again revived their violent attacks upon Great Britain, Winston Churchill and the British Commonwealth of Nations. Alone exempt from the attack seems to be Australia. Toward that country, the Hearst papers are preaching a kind of American Imperialism.

Mr. Hearst's enmity for things British reaches back through most of a generation, but since the outbreak of war in 1939 he has been a leading spokesman for U. S. isolationists. He has, almost daily, through his own column in his newspapers, stretched ingenuity to pile scorn, ridicule and contempt upon Britain's war effort and her war aims.

Mr. Hearst's column "In the News" is unsigned, but he is commonly known to be its author, or at least director of the material contained therein. Editorials and material from other Hearst columnists reiterate and reflect the opinions of the chief.

Quotations from the Hearst column, "In the News," which have appeared in Hearst papers in recent weeks, show the trend of his thoughts.

Urging concentration of the United States war effort in the Pacific, Mr. Hearst said: "Let us stop subsidizing all the greedy and ungrateful nations of the universe that hold out a mendicant hand for lend-lease alms . . . We do not have to worry about England. She has herself fortified from the sandy beach at Brighton to the rugged top of Mount Snowden. She has herself so well protected that all of Europe and all of Asia and all of Africa—if united—would not capture her . . . Hitler's latest speech was nothing but the despairing wail of a defeated man. He is getting in the Churchill class and has nothing to promise but 'blood and sweat and tears'."

Mr. Hearst feels that the United States should concentrate its efforts on the protection of America and Australia. "We should rescue Australia and we can defend America," he says. "But we must devote ourselves to that purpose and concentrate our energies and resources to that task. England is concentrating on the defense of England. She will succeed in her purpose."

"Systematic Sacrifice"

In another column Mr. Hearst declared "England seems too self-centred in thought—too self-centred in plan—too self-centred in every action and deed to be equal to the magnitude of the present situation. She has systematically sacrificed her allies for her own safety and her own immediate objectives."

Mr. Hearst charges that England has "sacrificed" Norway, "sacrificed" Belgium, "abandoned" France at Dunkirk and "executed a masterly retreat to England." He adds "But it was only part of England's firm plan to protect England at all hazards and at all costs."

In another column reference was made to Prime Minister Winston Churchill in these words: "Mr. Churchill's whole record is one of defeat . . . The defeat at Gallipoli is his outstanding achievement in the last war and his retreats and defeats in this war are too many and too frequent to need enumeration. The fall of Singapore is not the worst that has happened and cer-

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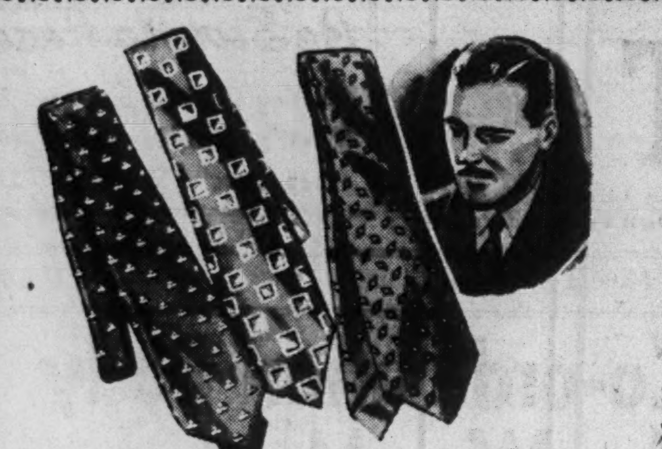

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TORONTO CANADA

How Man Power Order Works

(Continued from page 1)

dence of rejection on grounds of physical unfitness for active service in the armed forces during the present war; or a permit from a National Selective Service officer authorizing him to accept such employment.

The list of restricted occupations which are now prohibited from employing men of military age and fitness follows:

Bookkeepers, cashiers.
Stenographers, typists, clerks.
Office appliance operators.
Messengers.
Salesmen and sales clerks.
Taxicab drivers.
Any occupation in wholesale or retail trade, advertising, and real estate.
Any occupation in, or directly associated with entertainment, recreational or personal service, including but not restricted to theatres.
Film agencies, motion picture companies.
Clubs, bowling alleys, pool rooms.
Sports.
Barbering and hairdressing.
Domestic service.
Dyeing, cleaning and pressing.
Laundering.
Hotels and lodging houses.
Baths.
Restaurants, cafes and taverns.
Shoe shining.
Guide service.
Funeral service.
Any occupation in the manufacture or production of:
Biscuits, confectionery, cocoa.
Bread and bakery products.
Aerated, mineral waters, other beverages.
Liquors, wines, beer.
Rubber products.
Tobacco, cigars, cigarettes.
Leather and fur products.
Textile products.
Furniture, upholstering.
Photography.
Printing, publishing, engraving.
Radios, refrigerators.
Washing machines, vacuum cleaners.
Jewellery and watchmaking.
Pottery and china.
Soaps, toilet preparations and articles.
Mattresses.
Musical instruments.
Barber and beauty shop equipment.
Cameras and films.
Sporting goods.
Games, toys and novelties.
Any occupation in the repair of clothing, boots and shoes, furniture and household equipment, jewellery or watches, musical instruments.

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The War and Business . . .

Adopt U. S. Standards

There is evidence the long controversy on British versus North American standards—threads of bolts, gauges, etc.—is being resolved by the force of events. This continent is becoming the major arsenal of weapon supply, hence North American standards and specifications are coming out on top.

This involves redesigning tanks, guns, etc., to conform (a) to American standards and (b) to permit mass production methods. Old practice of trying to use Canadian and U. S. plants to turn British blueprints into production is dying out.

• • •

The new committee on technical development for the Canadian army will speed the process in Canada. General McNaughton wants a Council of Weapon Design and Development for all of North America.

One authority suggests the British will become little more than an "advanced ordnance base." Britain will have a big production job to do, but more and more it will have to concentrate on repairs and maintenance of the vast supplies going forward from America, and on spare parts.

This has already happened to some extent in shipbuilding. It is estimated that over three quarters of British shipbuilding capacity is devoted to repairs, conversions and admiralty work with less than a quarter available for production of cargo vessels.

Waterway Stalled

St. Lawrence waterway negotiations have apparently been stalled before getting to U. S. Congress. Canadian observers there report no abatement in the Administration's determination to have the project approved and are convinced that it can be pushed through. Right now, they say, Congress is too occupied with other matters, chiefly war, to push it. They do not minimize the opposition but are confident the agreement will pass, perhaps after a delay of two or three months.

From Washington comes word that sentiment in Congress has been too much opposed to the St. Lawrence project for the Administration to risk a defeat on a plan so close to President Roosevelt's heart. There has been a strong public protest against "boondoggling" of any sort and the idea persists that the St. Lawrence project, even though useful, is not vital to the war effort but that the war is simply being used as an excuse to get it through. In any event it is not thought that the administration will move until it feels reasonably certain it has the necessary votes.

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Sterling Shortage

The Minister of Finance put on Hansard an estimate of what he called "the sterling area's cash deficiency of Canadian dollars" from the outbreak of war to March 31.

This represents the amount by which British income from Canada (trade, dividends, premiums, shipping charges, etc.) fell short of meeting the cost of the "sterling area's" purchases in Canada, chiefly of war goods.

Breaking down Mr. Ilsley's figures produces the following calculations, valuable for the record:

	Millions
Net shortage of Candn. dollars	$1,870
Met by:	
Gold shipments to Canada	250
Official repatriation of securities	695
Private repatriation, gifts, etc.	126
British bond issue given to Can.	700
Total	1,771

It will be noted that the four last items fall $99 millions short of wiping out the deficiency. In another part of his remarks, Mr. Ilsley estimated this final deficiency at around $92 millions. It will be borne by Canada and charged up to the billion dollar gift.

Why $700 Millions?

Did Hon. J. L. Ilsley, Minister of Finance, underestimate the value of British investments in Canada? He pointed out that after Britain gives up her bonds for $700 millions we'll be in the position of owning British securities to that amount while British investors will continue to hold an equivalent amount of "Canadian dollar securities," in addition to about $300 millions of sterling securities on or in Canadian property and enterprises.

But on the basis of Dominion Bureau of Statistics figures, British investments in Canada should still total in the neighborhood of $1,850 millions after all repatriations that are planned—which is just $1,150 millions greater than the $700 millions investment the Canadian government will have in Britain.

The difference may be accounted for by British investments in land, mortgages, etc. It is not clear that the minister included British investment in common shares of C.P.R., International Nickel, etc., and he probably did not.

• • •

Mr. Ilsley was not very clear in stating how a $700 millions figure had been arrived at in determining what Britain should pay, by her bonds, on account of her purchases to date. But the context of the address suggests that it was intended only to match British holdings of Canadian dollar bonds — provincial, municipal and probably corporation.

The obvious implication of this is that Canada—during or after the war—expects all or most of these securities to be shifted to Canadian ownership. This in turn would gradually provide the Canadian exchange for repaying Britain's bonds.

Investment Notes

Bell Telephone Co. of Canada has advised the Montreal Stock Exchange that an additional 720 shares of stock have been issued and fully paid under the employees stock purchase plan. Total number of shares now outstanding is 835,618.

• • •

Winnipeg's city-owned hydro-electric system reports a net profit for 1941 of $461,373, as compared with $437,576 for 1940. The 1940 figures included a non-recurring credit of over $100,000 from maturing bond issue redeemed in London at a favorable rate of exchange. Revenue from electricity sale was up last year $122,000, most of which came from commercial lighting and power. Capital expenditures last year were $240,000 and no major extensive programme was undertaken. The appliance department had a net turnover of $427,779 in 1941, and a net surplus of $5,137.

• • •

Ottawa Car & Aircraft Co. recently has received orders for aircraft components and munitions, which should relieve any unemployment of skilled mechanics at the plant, according to returns tabled in the House.

To date the government has authorized capital assistance to the company of $634,600 for manufacture of aircraft parts and $560,680 for munitions. To the end of February $388,-604 had been advanced on the first and $141,610 on the second account.

• • •

Fanny Farmer Candy Shops shareholders are told by J. D. Hayes, president, that satisfactory business was experienced in the first two months of the year and officials are hopeful this will continue throughout the year. Three new vice-presidents were elected at the annual meeting including M. I. Farrell, J. F. Cronin and W. C. Seaton.

• • •

St. Catharines 1942 tax rate at 33½ mills is down 1½ mills from the 1941 rate and is the lowest levied for the city in 23 years.

• • •

Canadian Investors Corp. has attempted to solve the problems now facing investors by "investing the major part of your company's funds in a diversified list of stocks of large and successful companies which own their own sources of raw materials and which are contributing directly or indirectly to Canada's war effort, but whose businesses should not be too seriously disrupted by the eventual arrival of peace." The portfolio is 90% in Canadian securities and 10% in U. S. securities. Principal changes over the past year include:

Additions	Deletions
Bonds	
Consol. Pap., 5½/61	Brown Co.
	Inter. Hydro, 6/44
Preferred Stocks	
Brown Co., $6	Can. Steamship, 5%
Common Stocks	
Aluminium Ltd.	National Steel Car
Brown Co.	Preston E. Dome
Consol. Smelters	Standard Radio, A
Hudson Bay M.&S.	Algoma Steel
Inter. Nickel	Beattie Gold
Inter Petroleum	Consol. Paper
Kerr-Addison	Dosco, B
Montreal Power	Great Lakes Dredge
Moore Corp.	Noranda

Company Reports

Protective Association

While premium income of the Protective Association of Granby, Que., in 1941 was about the same as in the previous year, claims chargeable to the year's business were some $18,000 less. Investments at $259,732 were higher. The approximate value of the investments allowed by the Dominion Department of Insurance is $270,000. Total assets were $286,265, compared with $287,-283 in 1940. Surplus was higher at $106,683.

The Protective Association was established in 1907 and insures only members of the Masonic order. It issues sickness, accident and accidental death insurance.

	1941 $	1940 $
Total assets	286,265	287,283
Cash	11,577	16,983
Investments	259,732	255,304
Agents' bal. due	13,924	13,474
Claims outstanding	58,543	71,141
Res. unearned prems.	58,741	59,817
Surplus	106,683	94,348

Hudson Bay M. & S.

Reflecting expansion carried out since the beginning of the war, 1941 was in many respects a record year for Hudson Bay Mining & Smelting Co. Outstanding features of the period were:

Treatment of the largest tonnage of ore in the company's history.

The turning out of a record quantity of metals to meet war demands.

Gross income up 16% at $20.3 millions, the greatest total yet reported.

Net profit up 38 cents a share at $2.54 after a $600,000 increase in taxes.

Working capital increased by approximately $2.5 millions at $13.3 millions.

With wartime restrictions on publication of details of base metal operations no details are given on ore reserves, or actual quantities of metals produced. Exploration and major development in 1941, although not as large as in 1940, was more extensive than the average of past years. The major items of work are stated to have been:

Completion of the south main shaft full size to the 3,000-ft. level;

Blasting out ground for the 2,750-ft. level ore and waste pockets and crusher station; and,

Enlarging the 2,750-ft. haulage level and extending the 3,000-ft. level pilot drifts,

The general condition of the mine is described as excellent.

Cons. Income and Surplus Account
Year Ended December 31

	1941 $	1940 $
Metal sales*	20,342,831	17,557,572
Less: Metals in process	377,913	490,567
	20,720,744	18,048,139
Less: Prev. met. inv.	490,567	517,704
Total production	20,230,177	17,530,435
Less: Oper. costs	7,520,719	6,705,513
Taxes, other than inc.	92,658	72,569
Exec. & legal fees	114,183	112,784
Directors' fees	2,640	2,079
Marketing expense	1,684,205	1,563,185
Trans. fees, etc.	213,693	161,101
Res., subsid. adv.	......	25,000
Operat. earnings	10,602,079	8,888,204
Less: Taxes	2,600,000	2,000,000
Depreciation	1,009,449	939,349
Net profit	6,992,630	5,948,855
Less: Dividends	5,515,946	5,515,946
Surplus for year	1,476,684	432,909
Add: Prev. surplus	7,160,524	6,727,615
Surplus forward	8,637,208	7,160,524

*Including custom revenue and "other income."

Earnings Per Share and Dividend Record:		
Earned	$2.54	$2.16
Paid	2.00	2.00
No. of Shs. Outstand.	2,757,973	2,757,973
Working Capital		
Current assets	17,221,985	13,886,137
Current liabilities	3,935,786	3,035,459
Working capital	13,286,199	10,850,678

Current Advertising Is "Postwar Insurance"

"If you expect to be in business when we have peace and a buyers market" advertising must be continued during wartime, Morgan Eastman, vice-president of McConnell, Eastman and Co. told the Progress Club of Toronto this week.

"Advertising is the insurance that preserves the goodwill which the brand name has won through years of hard labor and great cost," he said.

Referring to experience of the last war, Mr. Eastman cited the case of a lock manufacturer who had about 60% of the total market before 1914. He had large war orders, discontinued advertising. After the war, he found it impossible to regain his position and he sold out.

"The Red Cedar industry did no advertising and Johns Manville and other manufacturers emerged with 67% of the roofing requirements for homes. Raybestos owes its present position to large advertising programmes started in 1918 while the leader in that field discontinued advertising.

"There will be wide changes in buying habits, after the war," he said.

"The Aluminum people have foreseen this possibility and although they haven't a single cooking utensil to sell today they are spending a million dollars in advertising to maintain contact with the housewife.

"The man who awaits a stabilization of government policy before taking action will have no policy other than procrastination.

"One phase of policy of the Income Tax division which businessmen may justly protest," Mr. Eastman declared, "is the refusal of the department's auditors to allow advertising and selling to be charged as a part of costs, pro-rata, on war orders."

He cites the example of the Aluminum Co. of Canada.

"By what reasoning can the government commandeer this company's entire production, causing them to withdraw from the domestic market and then deny the Aluminum Co. the right to protect its consumer goodwill against that time when it will return to the domestic market."

Foreign Periodical Can't Raise Price

By STAFF WRITER

OTTAWA.—The Wartime Prices and Trade Board has decided to maintain the price ceiling on all periodicals, newspapers and magazines sold in Canada.

This means that U. S. periodicals which have recently raised their prices in that country must either continue to sell in Canada at the old prices (established during the base period) or withdraw from circulation in this country.

The only proviso to this order is to the effect that the order does not apply to the purchase of any newspaper, periodical or magazine published in a foreign country where such a purchase is made by subscription directed by the purchaser to the publisher without "solicitation, intervention or aid" on the part of any intermediary.

Envelopes for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

British-hater Eyes Canada

(Continued from page 1)

tainly is not the worst that will happen if the conduct of the war is continued in the hands of merely persuasive but incompetent personages . . . Mr. Churchill is being retained in power by the English, notwithstanding his incompetence, but because he has succeeded in dragging the United States into England's European entanglements and in making the United States the buffer, the 'solid foundation' in a world conflict and the victim of England's and Mr. Churchill's individual 'mistakes' and 'misfortunes'."

"Tired of Being Exploited"

With reference to possible action in India, the Hearst column declared "India is tired of being exploited by England and wants the same promise of freedom that the United States has given the Philippines."

The Hearst column in another instance states "We send American planes to England, Russia, Egypt, Abyssinia, Libya, India, Burma and Malaya. We send our planes to Singapore, and according to the testimony of the refugees from there, the English commanding officers let them lie in their crates on the aviation fields because they did not know how to put them together. The Japanese have got those American planes now and the Japs will know how to put them together . . .

"You know, folks, we do not even get due credit for the immense sacrifice we are making for other people. They ridicule us for the humility of our services. They disparage us for being so easily won by flattery and cajolery and patronizing smiles of royalty."

Mallon Echo

"Hearstling" Paul Mallon frequently points out that British forces are sitting at home (his implication is that they are idle and needless) while the forces of Britain's allies are busy on fronts all around the world. "Britain's defense complex," he wrote, " . . has been much stronger than ours and has practically immobilized a large army at home for the 20 months since Dunkirk. Evidence is accumulating that this is Hitler's chief reliance."

Trying to convince his readers that there is great disaffection in Canada, the other Dominions and the rest of the Empire with respect to Britain's conduct of the war, Mr. Hearst frequently mentions a possibility that various of these lands may fall to the enemy. He says:

"Oh, Lords and gentlemen of England, those dire things can happen and indeed might happen if these now loyal divisions are robbed of their might and left undefended to their own simple resources, while England snuggles in smug complacency and safety on her own right little, tight little and not very bright little isle."

With reference to the fall of Singapore, Mr. Hearst observes "It was defended by 60,000 good, brave colonials of the British Empire whom their British leaders surrendered unconditionally to the mercies of the Japanese . . . Singapore had a thousand times more than MacArthur has but it did not have MacArthur. It did not have the right leadership.

"England has not got the right leadership.

"Brandy and Crackers"

"The gentlemen of Singapore who breakfasted on crackers and brandy (according to the dispatches) are not the heroic type—not the MacArthur type.

"Still the British are given command of our armies; the Dutch are given command of our navy and our own grand Americans are left to battle alone for American pride and prestige and territory and glory unaided and unconsidered while our American government brings up the tail of the foreign procession and carries a water bucket for the rest of the world."

In another reference to the British army at home, Mr. Hearst's column declares that "The English army is thickly massed in England that they can lie down to sleep."

In another column Mr. Hearst reiterates that American troops and war equipment should be used "not for the defense of London, which is already overdefended through the selfishness of a purely British War Board."

A Royal Welcome
ROYAL CONNAUGHT HAMILTON, ONT
GENERAL BROCK NIAGARA FALLS, ONT
PRINCE EDWARD WINDSOR, ONT
DIRECTION Vernon G. Cardy

HOLD HIGH THE TORCH OF FREEDOM

UNUSUAL BANKING
In These Unusual Times

As Canada's war efforts speed up, business in general increases in volume and banking activity also increases. Our service keeps pace with requirements, although more than 600 members of our staff already are in the Empire's forces.

By experience, increased effort and up-to-date equipment, we endeavour to compensate for reduced numbers, to avoid delays and inconvenience to our customers, and to conduct all banking transactions, however unusual, with everyday efficiency.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*
A151

SPRING TOPCOAT
of Hand-Loomed Harris Tweed

Rich, rugged tweeds, hand-woven on the islands of Harris and Lewis in the outer Hebrides. Each pattern gives individual expression to a weaving skill that is recognized as a standard of quality the world over. Tailored by Simpson's in Toronto, in raglan and slip-on styles. Ready-to-wear, each 35.00

Simpson's
THE STORE FOR MEN — SECOND FLOOR

SALE
OF STEEL RAILWAY RAILS
NORTHERN NEW BRUNSWICK AND SEA BOARD RAILWAY
NEW BRUNSWICK

ALTERNATIVE SEALED BIDS, addressed to the undersigned, will be received until 12 O'clock Noon, D. S. T.

THURSDAY, APRIL 30th, 1942

A Bid for the purchase of some Seventeen and One-half (17½) Miles of Steel Rails, Fish Plates, Connectors and Railway Spikes on what is known as the

"NORTHERN NEW BRUNSWICK AND SEA BOARD RAILWAY"

Between BATHURST and the abandoned DRUMMOND MINES

The rails to be lifted by the bidder at his own expense.

— OR —

A Bid for the purchase of the Rails, Fish Plates, Connectors and Railway Spikes, F. O. B. cars Nipisiguit Junction, Canadian National Railways, N. B.

Bids to be based on price per ton of 2,000 pounds and weight to be determined by railway scales.

Each tender must be accompanied by a **CERTIFIED BANK CHEQUE**, made payable to the **PROVINCIAL SECRETARY-TREASURER**, or **CASH**, for a lump sum of **FIVE THOUSAND ($5,000.00) DOLLARS**, which will be forfeited if the party tendering declines to enter into contract when called upon. Such Certified Bank Cheque or Cash will be returned to the parties whose tenders are not accepted. The party to whom the contract is awarded may be required to replace the Cheque or Cash Deposit with a Contract Bond, in the form of a guarantee, of a **SURETY COMPANY**, or a written guarantee from any responsible Company or Corporation for the full payment to the Department for the metal.

Payments to be made immediately by the contractor to the Department as cars are loaded with steel and weighed.

For further information inquire at the office of the Chief Bridge Engineer, Fredericton, N. B.

Highest or any tender not necessarily accepted.

(Signed) W. S. ANDERSON,
Minister of Public Works,
Province of New Brunswick.

Fredericton, N. B.,
March 20th, 1942.

This Week, The Financial Post asked —

Should We Defer National Holidays For the Duration of the War?

G. Wilson Craw

Editor, The Examiner, Peterborough, Ont.

The deferring of all national holidays for the duration looks beautiful on paper and from a patriotic viewpoint sounds grand, but we doubt very much whether an increase in production would be achieved by such a move.

In the past year war workers in Peterborough have worked some holidays. But on several of the important ones, such as Christmas, Good Friday, Dominion Day and New Year's, there has been a general shutdown. Production managers have declared that there has been a general speeding up after the holiday as many of the men have been working overtime and only getting off every other Sunday.

We are of the opinion that banning national holidays in a country abounding in lakes and streams — a veritable vacation land — would not in any way speed up war production, but would rather retard it.

* * *

Aristide Cousineau

President, René T. Leclerc Inc., Montreal, Acton Rubber Ltd., Acton Shoe Co. and associated with several other companies, mostly in Quebec.

I am of the opinion that national holidays should have been deferred on the day the war started.

The reverses that the allied nations have suffered so far have definitely been proved to be due to lack of equipment. The number of working days lost throughout Canada by national holidays means tremendous loss of equipment. We need the tools now. One single day's production lost may mean an additional battle lost.

As our boys at the front have no time to observe national holidays the civilian army on whom they count to supply them should only take the number of hours of rest necessary to keep themselves in good health.

* * *

F. S. Corrigan

Vice-president and general manager, General Steel Wares, Toronto, director of several large insurance and mortgage companies.

I do not believe the war effort would be strengthened by deferring all eight of our present holidays.

I do not think that labor would or should willingly forego Labor Day and Good Friday. Thanksgiving and Christmas are days so sacred to the spiritual and religious history and life of our people that to eliminate the commemoration of the things they stand for would weaken rather than strengthen our war effort.

I question whether production would be really increased by working on July first and New Years' Day. This leaves only May 24th and civic holiday, both of which might be deferred for the duration.

* * *

Aubrey Davis

President, Davis Leather Co., Newmarket, Ont., technical adviser to Department of Munitions and Supply, director, Bank of Toronto and several other industrial and financial companies.

Deferring national holidays for the duration will keep the wheels turning during this vital and decisive year when every ounce of production is needed.

A life and death struggle for liberty which involves all countries and people surely demands similar sacrifice by Canada and Canadians, otherwise we are not worthy partners in the fight.

* * *

Geo. S. Hougham

Dominion secretary, Retail Merchants Association of Canada.

I question the wisdom of suspending national holidays for the same reason that I doubt the wisdom of the seven-day week.

Working under high tension, I believe, requires proper relaxation, and it is questionable whether depriving workers of the break in routine implied in holidays would result in substantially increased production. I am under the impression that the British example supports this view. Executives who can separate themselves from their responsibilities by an afternoon at golf might not appreciate what a holiday means to a stenographer, a sales girl, or a factory operative.

* * *

J. Macdonald

Editor, The Gazette, Glace Bay, N.S.

With the possible exception of Christmas I should suggest that all holidays, national and other, be deferred for the duration of the war.

If production is the most urgent matter in the national economy in the present emergency it follows that every idle day means a break in the national war effort.

A holiday may mean more than the loss of one day's output. It means that in some industries many men remain off work the day following. Holidays, in short, interrupt the free flow of production.

* * *

Allan Meikle

President, Canadian Federation of Labor, Ottawa.

Observance of public holidays, especially when they come in pairs as at Easter, cuts down the working week and disorganizes production schedules. In my opinion such holidays, whether national or regional, should be suspended for the duration.

If the suspension were general no question of penalty rates of overtime could arise.

On the other hand the suspension of these sporadic total shutdowns would strengthen the demand for paid holidays—periods so staggered as not to interrupt production and vastly more beneficial from a health standpoint than a series of one day layoffs.

* * *

F. E. Sine

President, Alberta Lumber Co., Ltd., Calgary, and prominently associated with lumbering, grain and financial interests in western Canada.

It would definitely aid the war effort by many million man-hours to forego all national holidays for the duration.

I consider such action should be taken as promptly as possible in the emergency that is now confronting us.

London Calling

by Adelphi

LONDON.—One Canadian lately in the limelight in London is "Billy" Bishop—or as one of the staid London dailies called him "William Bishop." He appears in a film with James Cagney and in his brief appearance the Canadian Air Marshal nearly acts the star off the stage.

Bishop has that definite yet elusive quality known as "personality." Like so many brave men and great airmen, he has clear china blue eyes, and he smiles easily. I do not suggest that he has a future in Hollywood but just at the moment he has scored a real success in the London cinemas.

The stubborn popularity of "Billy" Bishop is in itself a commentary on the impersonal nature of the present war. The tank, the bomber and the modern battleship seem to have dwarfed the men who direct them. In former wars, the fighting men crowded the politicians off the news pages. If you doubt that ask your neighbor who was Britain's Premier when the Battle of Waterloo was fought. Mr. Lloyd George and President Wilson partially set the new fashion in 1914-1918. In the present war, the politicians have cornered all the publicity.

* * *

Here's an Exception

Occasionally one finds an exception to the above when the fighting men and the politician are found in one. Captain Harold Balfour, the Under-Secretary for Air, is an example. He was a gallant airman in the last war and was in the same Squadron as Sir Charles Portal, the head of the R.A.F.

Balfour is good looking, debonnair, vital and adventurous. He has flown to Canada at least three times during this war. He has flown to Russia and the Middle East. He is always hopping about England and is as keen on flying as a boy. The other day I ran into him and his face was beaming. "I've just been flying a single seater Typhoon" he said. "It was marvellous. Believe me when you step on the throttle its a thrill." The Typhoon is still on the semi-secret list.

As most idols have feet of clay I must inform you that Balfour is quite an unusually bad bridge player.

* * *

Economist's Ballet

Once in an article in London I said that Professor Maynard Keynes, Britain's outstanding economist, had the soul of the ballet in him. I even suggested that a ballet might be written for him including bankers, and financiers, with the Chancellor of the Exchequer in frills and Keynes dancing airly among them. There really is a strangely attractive fancifulness about his personality.

Recently the Anglo-Polish ballet concluded a long season in London. Do you know who financed it? Believe it or not it was Professor Keynes.

Which, as my cook has observed more than once, "Just shows." But lest I impugn the dignity of so important a man I must tell you that he married Lopokova, a charming star of the ballet some years ago, and one detects her enthusiasm in the kindly action of her husband.

* * *

Suave Egyptian

I looked in at the recent reception at the Egyptian Embassy where the ambassador was celebrating the birthday of King Farouk. Dr. Hassan Nachat Pasha is no exception to the diplomatic rule that whatever is happening in his native country a diplomat must show no concern to foreign eyes. Dr. Hassan Nachat Pasha has the added advantage of being an excellent poker player, possessing a pair of provocative, smiling eyes that might mean a full house, a busted flush, a pair of sixes or four aces. In fact I have spent a certain amount of money studying his method at first hand.

Therefore at his reception he drank the toast to King Farouk as if there had been no change of government in Cairo, no intrigues and no alteration of Egyptian political values. The ambassador and his staff all wore formal dress but the guests turned up in ordinary clothes. No longer is London the best dressed city in the world. At a Priestley first night recently there was not so much as a dinner jacket to be seen, much less a tails.

It was, incidentally, J. B. Priestley's worst play to date. He tried to burlesque the BBC for three acts. It would have made a good 20 minutes' revue sketch but after the first act even the BBC officials who had come to see themselves guyed became bored.

* * *

"The Hell of It"

An old, old story is coming true. You remember the tale of the golfer who went to Hell and found a beautiful golf course. He asked the Devil if he could play and was told "Yes." He was given a superb set of clubs, a caddie and a genial opponent. "But what's the catch?" he asked suspiciously. The Devil grinned. "There's no ball," said the Devil, "that's the Hell of it."

Over here the edict has gone out. No new golf balls are to be made. When our repaints are exhausted and the last old ball is lost in the heather, the golfing habitué will be compelled to confine himself to the 19th hole where there will soon be no drinks.

Sherman was right about war.

* * *

Poor gentle Stefan Zweig! All of us who knew him feel the tragedy of his going in Brazil when they found him and his wife in a death embrace of suicide. He used to come down from Bath where he was living early in the war and lunch with me in Town. He was a fine sensitive creature whose spirit was bruised and almost broken by the brutality of events. I shall always look upon his "Marie Antoinette" as the perfect biography. Only Hollywood could have turned it into such a commonplace film.

He wanted to assist the Ministry of Information in German propaganda but I don't think he was ever used. May his soul rest in a peace that he could not find in this world.

Taxes — Seen and Unseen

You pay a great many taxes without realizing it. You pay them from day to day without thinking much about them. About others, your thinking will govern to some degree the amount that will have to be paid.

For example: Succession Duties are based not only on what you leave but also on how you leave it. Estates of the same size are not necessarily equally dutiable.

We should be glad to discuss this aspect of taxation in relation to your estate.

Write for free booklet
"Security for your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

New Books . . . .

More "Men and Politics"

DAWN OF VICTORY. By Louis Fischer. Published by Wm. Collins, Sons and Co. (Canada), Toronto. Price $3.50.

The well-known author of "Men and Politics" is at his best in giving quick dry-brush sketches of men in relation to events. His pictures of Churchill, Eden, Amery, Beaverbrook, Bevin, even of the Clipper captain who took him to England, are pointed and faithful. So are his intimate pictures of England at war. Mr. Fischer goes all-out in his tribute to the British people. He shows that Britain's war is their war; its effort their effort. "The Britisher believes in himself, in his country, and in a better day. That is why the British can take it." Britain has organized something akin to a totalitarian society to win the war; yet there is, Fischer avows, more democracy in wartime Britain than there was in Republican Spain in 1936.

"Dawn of Victory" is not an easy book to review because it does not stay "put" on a single line of thought. Mr. Fischer is telling about an airman one minute and Soviet Russia another; he pays his tribute to Britain at war and yet criticizes the two million, who "rule" the country. He accepts the oft-repeated criticism that Britain is short of talent and agrees with Priestley and the Economist that it is because there are barriers—class and otherwise—that are too difficult for 46 out of Britain's 48 million people to hurdle. But he is a friendly critic; no finer passages on Britain at war have been written. No only is he friendly but he is sage and penetrating. He sees the need for a single Minister of Production; he sees Churchill's weaknesses as well as his strengths.

" . . . Winston Churchill is unmatched and irreplaceable as a leader of the people. But he is not a good conductor of the war . . He is bad on the production side." This is something that needed saying.

Naturally, what this ex-Communist, who turned against Stalin at the time of the "purges" has to say about Russia is of intense interest. He still distrusts Stalin and sees no reason why the fact that Russian soldiers are killing German soldiers should cause anyone to believe that Stalin goes to church every Sunday. Russia's fine fight has no more reconciled him to Stalin's dictatorship than Germany's successes have reconciled him to Nazi dictatorship. "There is no use trying to whitewash Stalin in the blood of millions of Russian soldiers who have fought in this war." This is something else that needed saying and it is well that it should be said by a man who knows Russia intimately and has such high respect for the good things that have come out of the Russian revolution. Fischer is frank in expressing the opinion that Russia, which is now calling for a "second front" in the West, should have helped the western states at the beginning of the war so that Hitler would not have been free afterward to fall upon the Soviet Union. "It was Stalin's great historical blunder not to have done this."

Mr. Fischer's outline of the fundamentals of world peace is most interesting but none too realistic. In it, he is guilty of oversimplification, of too easy a division of the world's statesmen into sheep and goats. This is, of course, a constant failing of most Socialist writers, who pin all human evil on "the Tories" and on "reaction."

Keeping Up With Dorothy

DOROTHY THOMPSON'S ENGLISH JOURNEY. By J. W. Drawbell. Published by Collins, Toronto. Price $2.50.

Dorothy Thompson did not write a book on her experiences in England last summer. But "Jimmie" Drawbell, a London daily newspaper editor, has done so and it is such a cheerful, sympathetic and authentic record that one is almost happy that Miss Thompson was too busy to write a book.

When Miss Thompson arrived, British officialdom bungled arrangements and finally Lord Kemsley and Mr. Drawbell took her over and arranged for her to go places, meet people and do things. She was not easy to handle because she was always making arrangements to lunch with someone at the precise moment when 1,500 people or so had been invited to meet her, but her irrepressible, self-appointed guide untangled all the twisted skeins and kept her busy and everybody happy.

For Dorothy Thompson fans the book is of course a "must"; for others, it is an intimate and happy picture of war-torn England as one of the world's greatest reporters saw it.

There are two particularly likeable stories in the book. One tells how Miss Thompson got a needed pair of gloves when she was invited to see the Queen and had no clothing coupons to use. The other tells how one of her broadcasts, played to Mr. Churchill as a record, lifted him out of despondency in one of Britain's darkest hours.

Report on Russia's War

THE VOICE OF FIGHTING RUSSIA. Edited by Lucien Zacharoff. Published by Longmans, Green and Co., Toronto. Price $4.

Most of this book consists of personal experiences of fighters on the Russian front, and of workers on the industrial front in Russia. There is a spirit of personal zeal in its pages, of quiet courage, of undying love for homeland. The Dean of Canterbury writes a preface and Lucien Zacharoff, the editor, a foreword. Several of Stalin's speeches are reproduced textually as are editorials from some Russian newspapers.

All this is to the good, but the volume leaves many questions unanswered. Stalin's demand for a "second front" is underscored. But there is no real explanation of why Stalin did not open up a second front in 1939 when it might have won the war quickly and saved millions of lives. Stalin says, in one of the speeches reproduced in the volume, that the result of the non-aggression pact with Germany was to gain Russian peace for a year and a half and the opportunity of preparing its forces to repulse Fascist Germany. That is not the reason Stalin gave then. And it scarcely explains why Comintern activities during that year and a half were directed to weakening the war effort of those who were fighting Germany. In that year and a half Russia lost many who might have been its Allies: France, Holland, Belgium, Norway and others.

There is much talk of "freedom" in the volume. Freedom for the Letts, the Lithuanians and the Esthonians?

The contribution of the Dean of Canterbury is not helpful in answering these questions. He asks us to "leap into action on Russia's behalf." He avers that Russia is fighting for "Christian principles." Russia's grand fight is indeed helping to save Christian principles in other countries, but it is hard to believe that Stalin thinks he is fighting for Christian principles.

Another for U. of T. Shelf

PROBLEMS OF MODERN GOVERNMENT. Edited by R. MacGregor Dawson. Published by The University of Toronto Press. Price $2.

Twelfth in the University of Toronto's political economy series, this collection of papers and lectures deals primarily with what war and the conflict of different concepts of government are doing to democracy in the world. Both Canadian and American students of government are represented.

The papers indicate that Canadian scholars have much to contribute to learned thought on problems of government. For instance, the paper of H. McD. Clokie, of the University of Manitoba, on "Democratic Possibilities in a Totalitarian World" is a clear-sighted study wholly deserving of the international audience that this new "shelf" of books is able to provide.

Urge Full Week For B.C. Yards

From Our Own Correspondent

VANCOUVER. — Production in British Columbia's shipyards, which are so far carrying the brunt of Canada's cargo ship construction programme is expected to be speeded up considerably during the next few months as a result of plans for adoption of the seven-day week.

But in many other industries capable of providing war materials the pace still lags, and manufacturers told The Financial Post this week that only about 35% of the available productive capacity of engineering plants and machine shops on the west coast is being utilized.

The situation has improved somewhat in the past two or three months, but only because of the overflow of business from eastern factories, according to these informants. "All we have had so far is the crumbs left from the tables of eastern manufacturers," they complain.

Eastern Plants Crowded

Several substantial contracts have come to Vancouver since the beginning of the year because Ontario and Quebec factories were already overcrowded with orders, but there is still a great deal of idle machinery in British Columbia, even though the war is two and a half-years old and war has been raging in the Pacific for more than three months.

Steel cargo shipbuilding is the No. 1 item on British Columbia's programme, however, and the general situation will be greatly bettered if it can be established that the programme is operating 100%. Cost of building ships is higher on this coast, but climatic advantages have a tendency to equalize the difference—provided supplies of material are maintained and labor gives its full effort.

Down the coast U. S. yards are operating on a seven-day week schedule and no difficulty is foreseen in getting B. C. yards on a similar basis provided the delivery of steel plate and equipment is not interrupted.

Expect Speed Up

The men at the top of Canada's shipbuilding programme include two top-flight industrialists who probably command more respect for organizing ability and executive talent than any other individuals west of the Rockies—H. R. MacMillan and Austin C. Taylor. They are giving the B. C. situation close attention just now, and rate of production is expected to be greatly accelerated from now on.

Other lines of production are gradually getting into full stride. Boeing Aircraft will soon be completing flying boats at its big Sea Island plant and further expansion is rumored. Dominion Bridge Co.'s gun plant is being rushed to completion.

ANNOUNCEMENT

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Toronto, March 18th, 1942

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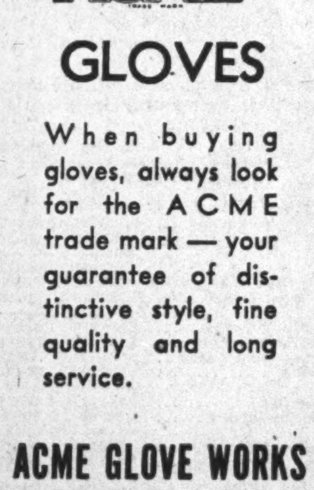

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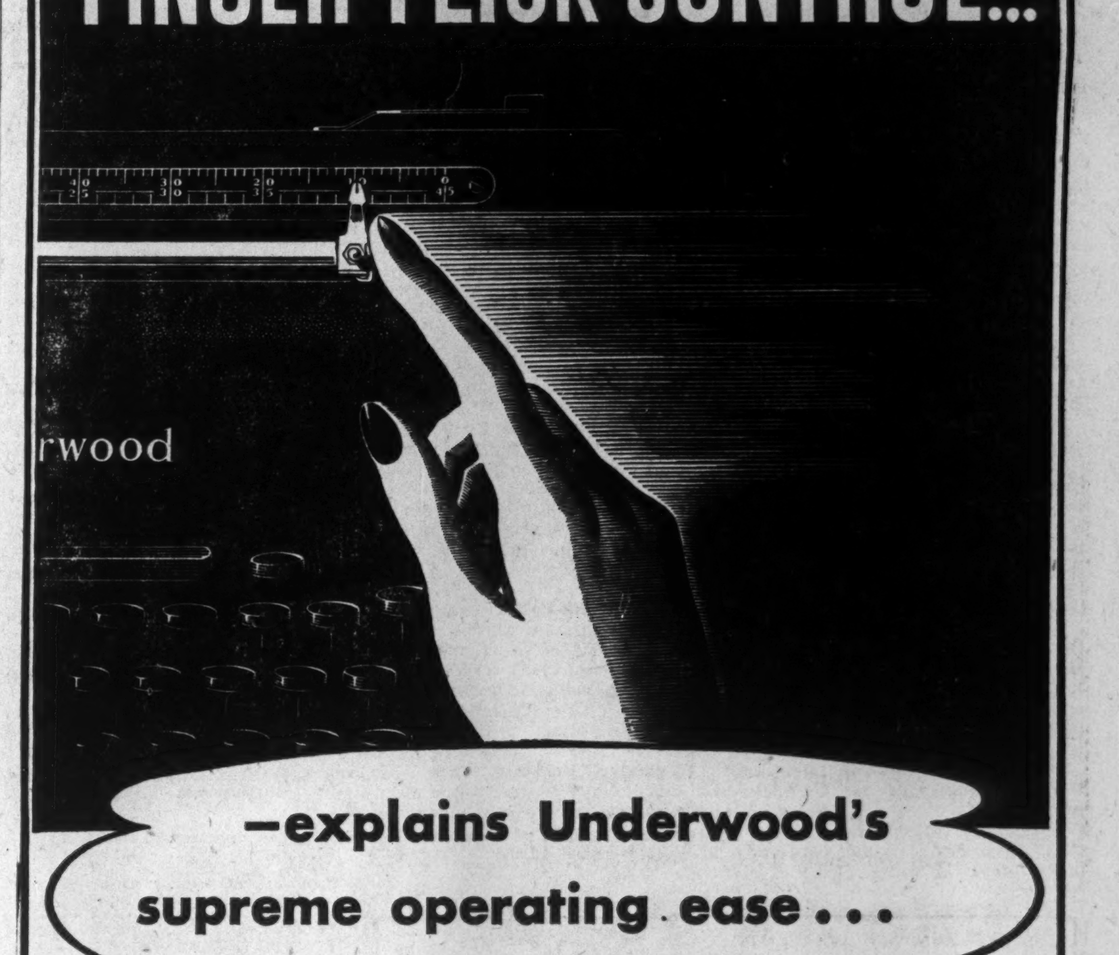

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Abitibi Sale Opposition Has Setback

Appeal Court Hold Ontario's Moratorium Act Invalid

By A. D. ELLWOOD

Almost ten years of receivership and bankruptcy for Abitibi Power & Paper Co. may be drawing near to an end.

One obstacle toward carrying out the bondholders' protective committee's plan for a judicial sale—with themselves as purchasers acting on behalf of bondholders as a group—was removed when the Ontario Court of Appeals dismissed the action taken by the liquidator, R. S. McPherson, to stop the judicial sale ordered by Mr. Justice Middleton for Feb. 18, 1942.

It would be too much to assume at this time, however, that those interests which have been so determined in fighting for what they saw as their rights in opposition to those of the bondholders' group, will give up the fight yet. There is still the Supreme Court of Canada, and after that the Privy Council, and spokesmen for equity interests have more than once asserted their determination to carry the fight to the last court.

Any further action would have to come from the defendant, R. S. McPherson, liquidator for Abitibi. It is not certain yet that he can appeal from the Ontario court action, but the case can always be taken to the Privy Council if that body's permission is first obtained.

Ontario's Attitude

What is considered an important factor in the case now is the attitude which the Ontario Government may take on the Appeal Court action in declaring the Abitibi Power & Paper Co. Moratorium Act, passed by the Ontario legislature, as being ultra vires. This act was passed April, 1941, to stay proceedings under the Abitibi bond mortgage so as to give all parties a chance to consider proposals advanced by the Ontario Royal Commission headed by Mr. Justice McTague. It stated that no new action should be taken under the bond mortgage, nor any further action taken in the proceedings then pending without consent of the Ontario Attorney-General. This act was to remain in force until Dec. 31, 1942.

It was on the pros and cons of this legislation that most of the argument in the appeal hearing was based, with Attorney-General Conant appearing himself in support of the province's position.

It is also because the majority of the five-man appeal court found this Moratorium Act ultra vires the province, that the court's decision was to dismiss the appeal against the sale order.

New Ontario Legislation

The Ontario government was not slow in moving to strengthen its legislation bearing on this Abitibi matter. Legislation has already been introduced to extend the Moratorium Act of 1941, which expires the end of this year, to June 30, 1943. Premier Hepburn told the legislature in introducing the 1942 Moratorium Act that it was intended to protect the company from a quick sale of its assets which "I think would be disastrous at the present time."

A further bill has been introduced before the Ontario House, known as the Abitibi Power & Paper Co., Ltd., Constitutional Question Act. This act is to give specific permission for an appeal from the Court of Appeal judgment just rendered. There was some doubt as to whether any further appeal could be taken in Canadian courts from Mr. Justice Middleton's original order and the apparent objective of the latest legislation is to remove any doubt on this point.

Need New Order

A new sale order will probably have to be made, setting a new date for the proceedings as the Feb. 18 date set by Mr. Justice Middleton is long past. It is possible the appeal court itself may set a new sale date. One of the judges suggested this and it is understood the plaintiffs plan to urge this course in drawing up the final order. This order can be expected at any time. In the meantime there is a considerable period within which the liquidator can seek further action.

Decision of the appeal court was not unanimous. Mr. Justice Riddell, Mr. Justice Henderson, Mr. Justice Fisher and Mr. Justice Hogg held that the appeal should be dismissed. Mr. Justice Gillanders decided the appeal should be allowed.

Sees No Conflict

Mr. Justice Gillanders held that the Moratorium Act did not interfere with the rateable distribution of the debtor company's property among its creditors. He also maintained it did not substitute any provisions which conflict with the scheme or plan regarding bankruptcy but was confined to dealing with this particular action and other actions to realize on the Abitibi mortgage.

Mr. Justice Riddell on the other hand said "the legislature is . . . interfering in matters beyond its control," in dismissing the appeal with costs.

Denies Access To Courts

Dealing with the powers of the legislature, Mr. Justice Henderson said:

"In my view the legislature is not competent to deny access to His Majesty's courts in an individual case. This does not mean that a moratorium act of general application may not be validly passed within limits."

Mr. Justice Hogg was "unable to agree with the position taken by the province that the mortgagee is outside of and not affected by the winding up proceedings." The subject of insolvency is already occupied by the Dominion which has enacted a general insolvency act respecting companies and "it is not within the legislative power of the province to interfere with this right.

Dominion Has Precedence

"The legislature of the province of Ontario, in enacting the Moratorium Act in question, had attempted to invade a domain or field of legislation occupied by the Dominion and one in which, if conflict arises, as it does in this instance between the Dominion and provincial legislature, the power of the Dominion must prevail. The Moratorium Act is, in my opinion, ultra vires the legislature of Ontario.

The arguments of Mr. Slaght, who represented preferred shareholders in the appeal hearing, that a sale should be delayed on equitable grounds, found little weight with Mr. Justice Fisher.

Risk in Delay

He admitted that favorable conditions lasting for a long period would react to the advantage of shareholders and creditors but asked how long they might have to wait and pointed out the risks of unfavorable developments arising. He pointed out the chance that, instead of favorable events, there might come adversity in trade conditions and a decline in values. He sees these as "risks that might be attended with serious results, and one of them being, is there any certainty that there would be at some future time a purchaser at as much as $30 millions," and if not, he asked, "who would be the sufferers?"

Mr. Justice Fisher added that he was "unable to understand the attitude of the province by intervening, because it appears to me that the interests of the province in the lands, leases, power rights, etc., would be in as safe, if not safer, position under a purchaser at $30 millions operating different properties, than continuing to struggle on for an indefinite length of time on a pure gamble that favorable conditions would arise, and under a load of $80 millions and perhaps an increase thereof."

He went on to point out that the shareholders assumed risks when they bought their shares and that all purchases were no doubt made in the hope of profits and expectation that the company would succeed "and for these reasons, as I have stated, I have failed to discover any merit for delay, with all its uncertainties, on equitable grounds."

TRAFFIC OFFICIAL

United Air Lines announces appointment of Gordon Stables, formerly of Vancouver, as traffic representative in Toronto. Increase in traffic out of Toronto to the coast-to-coast and border-to-border united system is reported.

Investment Notes

Melchers Distilleries Ltd. made a good start in the current fiscal year, volume for the first two months being ahead of a year ago, according to statement made by president Hon. Victor Marchand. Prospects for the balance of the year were described as favorable.

Increase in inventories shown in the balance sheet, Mr. Marchand attributed to prevailing conditions. It was stated necessary to buy whenever the opportunity presented itself.

* * *

McDougall & Cowans, Montreal stock exchange curb market member, announces that Harold L. Conyers has retired from partnership. Business will be continued under the same name with the following as partners: Purvis McDougall, Percy P. Cowans, Alex Christmas, Russell Cowans, Richard J. Dawes and E. Stuart Merrett.

* * *

Directors of Wabasso Cotton Co. have declared a dividend of $1 a share payable April 1, record March 21. On Jan. 2 last the company paid a quarterly 50 cents, plus an extra dividend of an equal amount. The previous seven quarterly dividends were 50 cents each.

* * *

Sun Life Assurance Co. of Canada has declared a quarterly dividend of $3.25 a share payable April 1 to stock of record March 16. Previous to this declaration, dividends had been paid regularly at the rate of $3.75 per share quarterly since April, 1937.

* * *

East Kootenay Power bondholders approved proposals to extend maturity of its 7% bonds from April 1, 1942, to April 1, 1952, and to make the bonds payable in lawful money of Canada or the United States in place of gold coin.

* * *

Alexander Building Corp. has notified holders of the 6% first mortgage cumulative income bonds that a payment of 1½% on account of interest will be made on April 1, 1942.

A GREAT NATIONAL ACHIEVEMENT

Copies on Request

The outstanding success of the Second Victory Loan and how its distribution among more than 1,500,000 subscribers may bring about a greater appreciation of the part capital, as a co-worker with labour, plays in the economic system, is outlined in the current issue of our quarterly publication "Investments".

In addition, operating results of several leading Canadian companies in 1941 are reviewed in detail while the publication also contains a comprehensive list of investments which present particular attraction at the present time. Investors will find this publication interesting and informative—copies will be furnished gladly on request.

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Company Reports

Celanese Corp.

Sales volume of Celanese Corp. of America for 1941 reached a record level, Camille Dreyfus, president, points out in the annual report. The balance sheet reflects the merger of Celluloid Corporation with the company, which was completed Dec. 5, 1941, following dissolution of an injunction against the proposed consolidation. The former's profit of $865,375 up to the date of the merger was carried to surplus and is not reflected in the income and surplus account of Celanese Corporation. Profit from Dec. 5 to Dec. 31, 1941, of approximately $45,000 is included.

The company has filed a registration statement with the S. E. C. covering an issue of $7,522,000 of 3½% convertible debentures, due Mar. 1, 1962. Conversion rate and prices are to be given later.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Net sales	62,277,142	44,510,651
Net earnings	17,745,303	13,583,133
Less: Depreciation	2,758,378	2,272,110
Income dedns. (int., etc.)	1,014,643	842,890
Inc. & exc. prof. tax.	6,866,597	4,091,237
Net profit	7,105,685	6,376,896
Less: Total divds.	5,013,439	4,272,489
Surplus for year	2,092,246	2,104,407
Surplus forward	13,200,663	12,048,828
Earns. per Com. Sh.	$3.43	$3.39
Com. Shs. Outstand.	1,376,551	1,112,788

Working Capital

	1941 $	1940 $
Current assets	42,526,967	40,010,597
Current liabilities	12,553,761	8,892,769
Working capital	29,973,206	31,117,828

Can. Western Natural Gas

Sales of gas in 1941 by Canadian Western Natural Gas, Light, Heat and Power Co. were about $80,000 higher than in 1940. This increase was not carried through to net profit, however, due to higher taxes which caused a decline in final net profit showing.

During the year an additional 685 shares of 6% preferred were redeemed bringing the total redeemed to 9,436 out of an original issue of 35,000 shares. This company is an operating subsidiary of Dominion Gas & Electric Co.

Income and Surplus Account
Years ended Dec. 31

	1941 $	1940 $
Gas sales	2,186,852	2,106,960
Add: Gas transported.	28,367	20,396
Gross income	2,215,219	2,127,356
Less: Oper. expenses.	1,400,611	1,319,547
Depreciation	131,915	127,670
Net oper. income	682,693	705,612
Add: Misc. income	26,163	25,473
Less: Misc. charges	16,689	18,526
Income taxes	292,170	249,640
Net profit	399,997	437,446
Less: Pref. divds.	155,649	159,578
Com. divds.	160,000	172,000
Surplus for year	84,348	105,868
Add: Prev. surplus	223,982	217,341
Less: Prior yr. adjust.	6,671	29,227
Cap. red. res.	70,000	70,000
Surplus forward	231,659	223,982
Earned per Share:		
Preferred	$15.65	$16.67
Paid	6.00	6.00
Common	3.04	3.47
Paid	2.00	2.15

Working Capital

	1941 $	1940 $
Current assets	1,120,615	1,182,575
Current liabilities	481,196	760,303
Working capital	639,419	422,272

Tampax Inc.

Sales of Tampax Inc., and its subsidiaries Canadian Tampax Corp. and Universal Cotton Products Corp. showed a gain of approximately 19% in dollar volume. Only minor difficulties have been experienced in securing raw materials. Ellery W. Mann, president, states it is to be expected that material costs will be higher in the future, but it is believed that such additional costs will be largely offset by new economies in manufacturing.

An initial dividend of 10 cents was paid on April 30. It was hoped to distribute more in dividends during the year, but the need for larger inventories and the advisability of purchasing a plant made it desirable to conserve working capital. Early in March, 1942, the company purchased a plant at Palmer, Mass., and all U.S. manufacturing will be carried on at that point.

Income and Surplus Account
Years ended Dec. 31

	1941 $	1940 $
Gross profit	876,353	746,927
Other income	18,350	10,875
Total income	894,703	757,802
Less: Expenses	607,709	530,904
Depreciation	11,962	11,103
Amort. equip. lease	2,412	2,552
Amort. patents	74,884	64,705
Operating taxes	23,781	19,440
Income taxes	47,718	28,511
Exchg. loss	841	855
Interest	......	1,307
Net profit	125,395	98,425
Less: Dividend	29,540	......
Surplus for year	95,855	98,425
Add: Prev. surplus	240,982	137,987
Prior yr. credits	......	5,570
Less: Patent litig.	18,146	......
Trade-mark claim	4,999	......
Prior yr. taxes	......	1,000
Surplus forward	313,692	240,982
Earned per Share	$0.42	$0.33
Paid	0.10	......

Working Capital

	1941 $	1940 $
Current assets	410,688	313,924
Current liabilities	197,680	189,277
Working capital	213,008	124,647

Aunor Gold

A sharp increase in ore reserves features annual report of Aunor Gold Mines for 1941. Reserves at Dec. 31, 1941, totalled 514,934 tons of ore grading 0.28 oz. gold per ton compared with 340,847 tons of 0.276 oz. grade a year previous.

On the basis of the 159,340 tons of ore milled in 1941, this reserve is sufficient for well over three years' milling requirements.

While production was higher in 1941, net profits were off slightly at 21 cents a share as against 24 cents due chiefly to greater operating charges.

Ore results on the deep 1,125 and 1,250-ft. levels were responsible for the step-up in ore reserves. On the 1,250-ft. level, drifting disclosed 1,698 ft. of ore grading 0.303 oz. gold across 4.1 ft. In addition, drilling indicated possible ore shoots totalling 1,424 ft. grading 0.393 oz. across 5.2 ft. The possibility of a south ore zone was also indicated. At the 1,375-ft. level, the ore zone has not yet been reached but a width of 15 ft. grading 0.189 oz. has been cut at the 1,500-ft. level.

Income and Surplus Account
Year Ended December 31

	1941 $	1940 $
Bullion production	1,653,955	1,373,285
Less: Operat. costs	914,417	610,163
H. O. & gen. exp.	24,581	18,343
Operating income	719,957	744,779
Add: Inc. from inv.	6,103	991
Net earnings	726,060	745,770
Less: Depreciation	106,360	93,766
Development w/o	92,224	87,422
Taxes	109,907	81,500
Organ. expense w/o	......	5,115
Net profit	417,569	477,967
Less: Dividends	320,000	......
Surplus for year	97,569	477,967
Add: Prev. surplus	477,967	......
Surplus forward	575,536	477,967
Earns. per Sh. and Divd. Record:		
Earned	$0.21	$0.24
Paid	0.16	nil
No. of Shs. Outstand.	2,000,000	2,000,000

Working Capital

	1941	1940
Current assets	858,968	624,759
Current liabilities	245,684	191,348
Working capital	613,284	433,411

John Bertram

Volume of business obtained by John Bertram & Sons Co., machine tool and heavy machinery makers, in 1941 was "largest in the company's history and we carry into 1942 orders which will keep the plants working to capacity throughout the year," states Henry Bertram, chairman, adding that "much of the 1941 business will not repeat."

Net profits for 1941 are approximately treble those of 1940 and equivalent to $6.23 a share on the common against $1.96 in 1940. Payment of dividends at 15 cents quarterly was started last year.

Last year the company set aside $1.2 million for depreciation as against $195,754 in 1940. The increase is accounted for by building and machinery installations amounting to $1.4 million last year.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross oper. profit	1,754,578	675,774
Less: Exec. salaries	29,500	20,880
Directors' fees	......	250
Income & E. P. taxes	1,340,000	523,305
Net profit	385,078	131,339
Less: Dividends	9,000	......
Surplus for year	376,078	131,339
Add: Previous surplus	958,164	829,714
Excess deprec.	......	8,155
Profit on assets	29,081	*11,044
Surplus forward	1,363,323	958,164
*Loss.		
Earned per Share:		
Common	$6.23	$1.96
Paid	0.15	nil
Shares o/s.:		
Preferred, $50 par	5,402	5,403
Common, $5 par	60,000	60,000

Working Capital

	$	$
Current assets	5,681,390	4,891,442
Current liabilities	4,678,831	4,091,984
Working capital	1,002,559	799,458

Balance Sheet Changes

	$	$
Cash	259,322	497,180
Invests. (cost or mkt.)	206,769	256,733
Accts. rec., Can. Govt.	725,239	422,897
Inventory	3,832,561	3,065,358
Fixed assets	3,439,521	2,070,585
Less: Depreciation	2,513,290	1,346,250
Accts. payable	1,561,311	1,130,874
Adv. pay. on contracts	1,541,128	2,432,804
Tax reserve	1,576,392	527,000

Hallnor Mines

With taxes and operating costs increasing, earnings at Hallnor Mines in 1941 moved lower at 62 cents a share from 74 cents the preceding year.

After allowing for milling of 132,000 tons of ore during the year, ore reserves totalled 627,828 tons of probable, possible and broken ore to the 1,410-ft. level grading 0.37 oz. This compared with 631,512 tons of 0.44 oz. grade to the 1,260-ft. level the previous year.

The previous rate of dividends cannot be continued, it is stated. Higher costs, increased taxes and lower grade ore are the reasons.

Income and Surplus Account
Years Ended December 31

	1941 $	1940 $
Bullion production	2,527,351	2,649,275
Add: Inc. from invests.	31,140	19,102
	2,558,491	2,668,377
Less: Operat. expenses	700,383	678,500
Admin. & gen. exp.	19,748	14,634
Operating profit	1,838,360	1,975,243
Less: Depreciation	162,667	132,796
Development w/o	83,132	83,132
Taxes	359,046	274,117
Net profit	1,233,517	1,485,198
Less: Dividends	1,200,000	1,200,000
Surplus for year	33,517	285,198
Add: Prev. surplus	1,660,200	1,375,002
Surplus forward	1,693,717	1,660,200
Earns. per Share and Divd. Record:		
Earned	$0.62	$0.74
Paid	0.60	0.60
No. of Shs. Outstand.	2,000,000	2,000,000
Working capital	1,799,520	1,546,739

Significant Investors' Index Numbers

(Base 1935-39=100)

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	84.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
1942: Weekly Figures:												
Mar. 5	70.6	66.7	72.9	41.7	106.4	81.5	95.1	74.7	61.5	90.3	67.6	63.5
Mar. 12	69.6	66.0	71.9	40.9	104.2	76.4	91.2	73.8	61.8	89.4	67.1	61.7
Mar. 19	69.3	66.2	71.9	41.3	104.6	75.0	91.8	73.0	62.2	89.3	67.6	62.3

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Mar. 24	81.32	62.23	62.87	16.46
Mar. 23	81.11	64.31	63.13	16.54
Mar. 21	81.40	64.19	63.42	16.54
Mar. 20	81.65	64.79	63.45	16.62
Mar. 19	81.86	65.34	63.72	16.82
Mar. 18	81.87	65.98	63.71	16.89
Month ago	84.35	72.17	65.48	17.59
Year ago	94.28	101.63	63.75	19.28
High 1942	93.50	83.71	71.01	18.86
Low 1942	81.11	63.23	62.87	16.46

Montreal Stock Exchange Averages

	10 Util	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Mar. 24	41.5	56.1	51.2	65.47	39.90
Mar. 23	41.4	56.0	51.1	65.24	39.39
Mar 21	41.2	56.1	51.1	65.76	40.24
Mar. 20	41.5	56.3	51.4	66.44	40.24
Mar. 19	41.3	56.2	51.3	65.76	40.57
Mar 18	41.5	56.6	51.3	66.44	41.12
Month ago	40.4	56.8	51.4	69.20	44.57
Year ago	48.8	57.9	54.8	68.32	76.32
High 1942	43.6	60.5	54.7	77.18	54.82
Low 1942	40.3	56.0	51.1	64.57	39.39

Trends IN INVESTMENT

Affairs of the Toronto Stock Exchange were livened up recently when members met to consider measures for protecting what they still have and regaining some of what has been lost. One step taken was to limit short sales. Hereafter, no short sales can be made at prices below the last bona fide sale. Short sales must be specified as such and members considered, but did not adopt, the practise of publishing the short position of individual stocks.

It was contended that there has been too much "sniping" at values of stocks, unduly depressing prices and disturbing investors. Supervision over all literature being sent out by member firms is to be carried on by a committee, and officials were given power to check on individual transactions.

* * *

Tribute is richly deserved for some firms' current annual reports. They have made a real effort to tell shareholders what they are doing and how they are doing it. Some were undoubtedly hampered by wartime restrictions but success in some cases shows what can be done if there is the will to do it.

Some top-notchers are the reports of Canadian Industries Ltd., Robert Mitchell, Dominion Stores, International Nickel, and Bathurst Power & Paper Co. These companies and some others make good use of charts, sometimes use illustrations and generally attempt to tell the story of what they are doing in wartime in a way that should be appreciated by shareholders, the general public and employees.

* * *

Public utility tax position is creating a condition where Quebec province must consider whether it "can long afford the luxury of having its power utilities privately owned" when it competes with industry in Ontario, according to Greenshields & Co., Montreal stock brokers. Last year Montreal Power paid out over $7 millions in taxes, most of which went to the Dominion government. In contrast, this Montreal source points out that Ontario is served with electric power by a government-owned system which does not pay income taxes to the Dominion.

Suggestion is that equality of taxes with Ontario is more likely to be gained by Quebec going into the electricity business on an increasing scale. Purchase of the Beauharnois Co., which is hanging fire, is not the solution they say, as up to the present Beauharnois has not been earning a profit, after interest and depreciation, and has no income taxes to pay. Lower rates to Quebec consumers could not be achieved, except by selling Beauharnois output at a loss.

* * *

Montreal Power offers the province a more effective way to recapture utility taxes paid to the Dominion, it is suggested. Any such deal, however, should not be something which the individual holders of Montreal Power shares need fear as those most familiar with the company are satisfied that, in any negotiated purchase or any expropriation proceedings, the shares would be worth substantially more than their market value. The company has a low ratio of operating expenses to gross income, reflecting efficiency of management and a long-term policy of plowing back earnings into plant.

1,600,000 Canadians Have Bought Victory Bonds

The war necessitates personal saving on a greater scale than ever.

It is essential to buy more and more Victory Bonds—the best investment you can buy.

Provide a Nest Egg for a Rainy Day

We will gladly fill your orders. Write or telephone us.

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Toronto
Telephone: Elgin 4321

Wood, Gundy & Company Limited

Market Opinions

Market comment does not indicate belief that time for improved stock prices is yet at hand.

Magazine of Wall Street, N.Y.—Despite slighty better current tone, the chances are that spring will bring further market test. Security purchases for appreciation should be deferred, while income purchases should be confined to selected bonds and preferred stocks.

* * *

Barron's, N.Y. (The Trader)—The market is not in the mood to respond to good news of a general character. Sentiment has been badly deranged by . . . tax proposals, but underlying cause of financial defeatism is fear of wartime or permanent socialism which intends to control capital and private enterprise to the point of dictating earnings, dividends and methods of raising new money. Until socialistic fears are allayed, the stock market may not do much more than hold its own—although the ultimate swing out of what, by every orthodox measure of analysis is an outstanding long-term buying area, is likely to be protracted.

MANUFACTURERS!
Are Your Selling Costs Too High?
If your line is sold to hardware, industrial or automotive trades, we can do justice to one more line of merit. Correspondence invited in confidence with responsible Toronto sales agency, with several salaried salesmen. Box 264, The Financial Post, Toronto.

Manufacturers

Have you a sales distribution problem in Western Canada? Manufacturers' representatives with an active sales force of eight men covering the drug and grocery trade in western Ontario, Manitoba, Saskatchewan and Alberta desire additional lines. Office and warehouse at Winnipeg. Box 266, The Financial Post, Toronto.

FOR SALE
INDUSTRIAL PLANT
PETERBOROUGH, ONT.
One and two storey buildings—16,000 feet, concrete floor, twenty-five ton crane; 8½ acres with water patent; railway siding.
PRICE $35,000
CYRIL DE MARA & CO. LIMITED
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372 BAY ST., Toronto. ELgin 4112

Broad Delivery Pool Plans Now Underway

Cutting of retail deliveries in Canada to one a day as ordered last week by James Stewart, Administrator of Services, can be regarded as the beginning of a campaign eventually aimed to pool deliveries on a wide scale. Prime design of the plan is to conserve rubber and motorized equipment.

Currently being worked out by Wartime Prices and Trade Board representatives is a broad programme which it is believed will bring almost every type of delivery into a giant pooling arrangement. Just what shape the scheme will take cannot yet be divulged, but it will include not only retail deliveries but also trucking services and taxi-cab operations. One of the main aims of the plan will be to get rid of "empty" or "dead" running. The present system whereby a man can take a taxi to a distant point of the city thereby forcing the taxi to come all the way back to its stand empty will now be discouraged.

Machinery for the contemplated drastic rearrangement of Canadian transportation facilities has already been set up through the recent giving to the Administrator of Services of power to "regulate and control the transportation of goods and persons in or by means of automotive transport vehicles and taxicabs," and further he may "order, permit, restrict, prohibit or otherwise regulate or control the use and operation of such vehicles and taxicabs, rates, routes, loads, empty or dead running time, and the kinds or classes of goods or passengers so transported."

The same order brings every Canadian in the transport business into the broad pattern with these words:

"Every person owning or having control of any automotive transport vehicle or taxi-cab shall, as and when ordered, required or instructed by the Administrator of Services, assist in providing transportation facilities, by the pooling of his transportation property, facilities or services with those of others, and by the acceptance for delivery of any specified load of goods or persons, and by the renting or supplying of any such vehicles or facility to any other specified person or persons and by otherwise dealing in specified manner with any such vehicle or facility."

SCRAP ?

Scrap iron or steel should not be considered as waste or material used to make an inferior product. A steel mill or a foundry that receives a sufficient supply of scrap produces a better product and also greatly increases its capacity. Today's method of making steel requires as much scrap as virgin pig iron. To produce good cast iron or malleable iron, large quantities of scrap are required and it is therefore, essential that all available iron and steel scrap throughout the country be utilized to increase Canada's capacity to produce the much needed steel and iron.

Will you today survey your plants and yards and if you have even a small quantity of scrap metal, make arrangements to turn it over to a scrap dealer so that it will be available for the production of essential war material which at this time is very important.

If your steel or cast iron scrap finds its way into one of our foundries it will be used to make numerous items which are essential for our war effort, such as bomb castings for the R.C.A.F., or regular pipe fittings which are required in all war industries for heating, plumbing and process work, or sprinkler equipment used to protect vital war industries against destruction or production delays caused by fire, or it may go to our malleable iron foundry and be converted into malleable iron castings for army trucks, Bren gun carriers or many other army vehicles or items for production plants.

Please survey your plant for scrap today!

GRINNELL COMPANY OF CANADA LIMITED
ONTARIO MALLEABLE IRON CO., LIMITED
TORONTO OSHAWA MONTREAL VANCOUVER

How the C. N. R. Made Money

Has a 23% Gain in Gross Operation

Canadian National Railways achieved better financial results in 1941 than in any previous year, R. C. Vaughan, president, and S. J. Hungerford, chairman, report. Operating revenues at $304.4 millions were approximately equal to 1928 and more than double those of 1933. Only two other railway systems on the continent had greater gross revenues. On lines in Canada the gain was 23.3% and on lines in the United States it was 21.3%.

After all expenses, including debt interest, there was a cash surplus in 1941 of $4 millions compared with a deficit of $17 millions in 1940. This surplus is to be paid to the Dominion treasury before March 31.

Last year the C. N. R. moved the largest tonnage of freight in its history. In tons per mile the 1941 effort was 20% greater than in 1928 but freight revenue was up only 5%.

Passenger revenue is up 47% last year. Measured by passenger miles, this class of traffic increased 57% but revenue increase was not proportionate to the increase in volume because of low rates for the armed forces and special rates for workmen's trains serving munition plants. Average revenue per passenger mile was 1.8 cents, an all-time low.

Only one major source of rail transportation showed a decline. Express revenue was less than in 1940 due to diminution of gold bullion movements which had been unusually heavy in 1940.

Up Again in 1942

For the current year outlook is stated to be for a "further substantial increase in traffic." The directors expect the road to again earn all fixed charges and have a moderate surplus.

There is stated to be some shortage of labor, particularly in the shop crafts. Shortages of material are expected but "these difficulties should not be insurmountable."

Operating Revenues
Years Ended Dec. 31

	1941 $	1940 $
Freight	236,519,309	191,433,308
Passenger	31,893,884	21,702,046
Express	11,391,137	13,602,893
Telegraph—c'mercial	5,147,064	4,427,843
Mail	3,822,499	3,584,159
Maritime rates reduc.	3,072,978	3,128,900
Switching	2,901,404	2,468,369
Dining and buffet	2,146,514	1,141,737
Sleeping car	1,952,632	1,315,664
Miscellaneous	1,641,698	1,660,500
Demurrage	965,294	427,462
Rents of bldgs. and other property	496,128	449,968
Grain elevator	494,572	286,611
Joint facility—credit	466,851	409,006
Rly. express agency	334,084	504,320
Milk	306,386	283,245
Parlor and chair car	189,417	148,618
Station, train & boat privileges	180,287	110,281
Storage—freight	164,632	139,220
Water transfers	156,087	193,154
Baggage	101,808	71,067
Joint facility—debit	97,920	83,172
Parcel room	56,810	38,232
Storage—baggage	25,106	16,762
Restaurants	20,910	16,102
Other passenger-train	15,749	40,574
Telegraph & 'phone	11,449	10,345
	304,376,778	247,527,224

Labor got by far the greatest single share of the railway dollar last year. Average number of employees in 1941 was 89,536, an increase of 8.09% over 1940,s 82,831. Total payroll last year required $153.8 millions against $132.6 millions, a gain of 15.89%. Although traffic volume last year was greater than in 1928, the railway had 20,000 fewer employees. These figures include railway, express and telegraph employees but exclude hotel and subsidiary company employees. Where the railway revenue dollar went last year is shown below:

Operating Revenue Dollar

	1941	1940
Labor	.4615	.4894
Fuel	.0848	.0827
Other expenses	.2349	.2461
Total operating expenses	.7812	.8182
Avail. for tax. & other accts.	.2188	.1818
Total	$1.00	$1.00
Mainten. of way accts.	.1547	.1616
Mainten. of equip. accts.	.1812	.1944
Traffic accounts	.0174	.0208
Transportation accts.	.3879	.3986
Miscellaneous accts.	.0089	.0067
General accts.	.0324	.0376
Transportation for invest.—credit	.0013	.0015
Total operating exps.	.7812	.8182
Avail. for tax. & other accts.	.0188	.1818
Total	$1.00	$1.00

Operating expenses in 1941 were 17.4% higher than in 1940. Out of every dollar of additional revenue operating expenses absorbed 51%, leaving 49% for taxes and fixed charges. This is stated to be a satisfactory relationship between increased revenues and expenses. Operating ratio in 1941 was 78.12%, lowest on record and comparing with 81.82% in 1940.

Since the outbreak of war, and apart from additional rolling stock acquired, about $10 millions has been spent on capital account for war projects, including track construction and additions, yards, spurs, sidings, shops and other railway facilities. Much of this will have no further use after the war and it should be amortized against operating revenues in a relatively short period. Last year $500,000 was included as a first installment. Cost of protecting the company's property against possible sabotage cost $552,000 last year against $476,000 in 1940.

Total interest requirements on funded debt held by the public in 1941 was $44.7 millions, down $4 millions from 1940. On the other hand interest paid on government loans for capital purposes was $5.6 millions, up $3.9 millions from 1940. Primary reason for the decrease in the one case and the rise in the other is stated to be repatriation of G. T. R. 4% debenture stock.

$1.9 Million for Montreal

Extensions and rearrangement of yard, terminal and track facilities last year required $13.8 millions, necessary to handle increasing wartime traffic. Last year $3 millions was spent on the Montreal Terminal development. This brings the total spent on this project to $25.4 millions, of which $16.7 millions was spent prior to 1939 and $8.8 millions since Jan. 1, 1939, when the project was resumed on a modified basis. The 1942 budget provides $1.9 million for completion of the project.

Last year the C. N. R. retired more locomotives than it added and the same with its floating equipment. Additions to freight cars, passenger cars and work cars were greater than retirements. Comparative details of equipment follow:

Details of Railway Equipment
As at Dec. 31

	1941	1940
Locomotives	2,502	2,562
Freight equip.	89,749	89,443
Passenger equip.	3,200	3,165
Work equip.	6,778	6,328
Floating equip.	21	26

Redemption and repatriation of debt has resulted in a reduction in the railway's debt of $5.6 millions to the end of 1941 with most of this taking place in 1940. Further vesting orders since the close of 1941 have been made.

The company has undertaken to build freight vessels. National Railways Munitions Ltd. is delivering war materials from its new munitions shop at Point St. Charles.

Consol. Profit and Loss Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. revenues	304,376,778	247,527,225
Less: Oper. exps.	237,768,437	202,519,813
Net oper. revenue	66.608,341	45,007,412
Less: Other costs	12,247,025	11,532,969
Net avail. for int.	54,361,316	33,474,443
Less interest:		
Public debt	44,688,227	48,701,524
Govt. loans	5,646,762	1,737,963
Cash surplus	4.016,377	*16,965,044

*Deficit.

NEW DIRECTOR

Louis D. Squair has been elected director of Dominion Stores Ltd. Mr. Squair has been vice-president since 1939, a post he continues to retain. He is also executive assistant to E. G. Burton, administrator of retail trade of the Wartime Prices and Trade Board.

Trans-Canada Traffic Gains Sharply in 1941

Operations of Trans-Canada Air Lines in 1941 featured gains in passengers carried of 60%, airmail carried of 50% and air express of 64%. Operating revenues were up $1.2 million or 26% over the preceding year. Mail revenue contributed a smaller proportion of total revenues last year at 53% against 62% in 1940 and 70% in 1939, due to gains in passenger revenues and to reduced airmail rates effective from Apr. 1.

With a gain of 38% in operating expenses, about half due to extended services and the remainder to increased labor and material cost, the result is a decline in surplus for the year from $539,263 in 1940 to $302,437 last year.

Operating statistics show the following comparison with the previous year:

Operating Statistics

	1941	1940
Route mileage operat.	4,024	3.662
Plane miles flown—rev.	6,384,651	4,770,219
Plane miles—non-rev.	890,164	488,765
Revenue passengers	85,154	53,180
Passenger occupancy	67%	63%
Aver. pass. journey, mi.	520	551
Air mail carried—lbs.	1,389,614	927,037
Express carried—lbs.	173,192	105,788
Excess baggage—lbs.	112,924	50,559

Service was extended from Moncton to Halifax on Apr. 16. Service between Toronto and New York was started May 10 with two trips daily and increased to three trips daily on June 16. T. C. A. operated the service to Prince Edward Island from Apr. 15 to Dec. 8 when the postmaster general entered into a contract with Maritime Central Airways Ltd.

At Dec. 31, 1941, the company's flight equipment included: 12 Lockheed 14H aircraft (two Pratt & Whitney Hornet engines of 850 h.p. each); six Lockheed Lodestar aircraft (two Pratt & Whitney Twin-Row Wasp engines of 1,200 h.p. each).

Retirements during the year included two Lockheeds requisitioned by the Dominion government and one Lockheed 14H destroyed by accident at Armstrong, Ont.

Buying 6 Lodestars

To replace the three aircraft lost to the company and for additional service extensions, the Office of Production Management at Washington has allocated to the company six Lockheed Lodestar aircraft for delivery in August and September of this year.

A contract has been made to buy Twin-Row Wasp engines to replace Hornet engines in the 14H's. This is expected to be completed by late summer. Expenditures on property and equipment last year totalled $765,666, including an advance payment of $504,460 for the Wasp engines, and retirements realized $513,460, leaving a net change in investment account of $252,200.

The company now employs 1,123 against 789 in all classes a year ago. Whereas at the end of 1940 T. C. A. employed only 18 women apart from stewardesses, it now employs 101 women.

Doing War Work

The company has undertaken on a large scale the repair and overhaul of military aircraft, including engines, propellers and instruments. Company shops are on a three-shift basis. T. C. A. has also made an agreement with British Overseas Airways Corp. whereby T. C. A. has undertaken the repair and overhaul of aircraft employed in the Atlantic Ferry Return Service.

Passenger, mail and express schedule to Newfoundland is to commence May 1, and a divisional headquarters has been established at Moncton. New airports between Edmonton and Whitehorse, Y.T., are to be ready for mainline operation by autumn. At this time T. C. A. will extend its service to that territory.

Income and Surplus Account
Years ended Dec. 31

	1941 $	1940 $
Gross revenue:		
Passenger	2,348,428	1,574,217
Mail	3,058,121	2,832,363
Express	78,812	39,489
Excess baggage	18,341	9,192
Other transport	128	27,745
Incidental services	303,964	109,377
Total revenue	5,807,794	4,592,383
Less operating expenses:		
Aircraft:		
Oper. & maint.	3,011,315	2,041,590
Depreciation	567,954	595,724
Ground facilities:		
Oper. & maint.	1,029,651	688,870
Depreciation	140,571	105,775
Incidental services	155,488	63,831
Traffic & gen. adm.	394,261	301,257
Tax accruals	6,896	58,887
Exchange, etc.	11,721	9,686
Int. on capital	187,500	187,500
Surplus for year	302,437	539,263
Add: Prev. surplus	539,263	......
Surplus forward	841,700	539,263

Working Capital

	$	$
Current assets	2,260,218	1,462,727
Current liabilities	644,164	509,733
Working capital	1,616,054	952,994

Murdoch Gives Report On War Services Drive

Directors of the Canadian War Services Fund have instructed workers of the organization throughout Canada to discontinue future campaign operations in agreement with the government order barring a combined campaign this year. The organization includes auxiliary war service organizations of established social service organizations—Salvation Army War Services, Young Men's Christian Association War Services, Canadian Legion War Services, Knights of Columbus Canadian Army Huts and the Young Women's Christian Association War Services. Accompanying the notice to cease campaign activities, J. Y. Murdoch, president of the Fund, reports on results of the joint campaign of 1941.

The War Services Fund reports an unexpended balance of $691,140.28, as of Feb. 28, 1942, with the prospect that this figure might be slightly increased by last minute receipts on account of subscriptions pledged during the campaign in 1941.

Disposition of this balance will be decided at a later date, pending decision by the government of details by which the home service and certain war service requirements of three of the participating organizations, Salvation Army, Y. M. C. A. and Y. W. C. A., will be financed as from the end of their fiscal years, Mar. 31, 1942, and Dec. 31, 1941, respectively.

Net results of the campaign, first joint national effort of the kind ever attempted in Canada, held in March, 1941, were as follows:

Objective, $5,500,000; amount subscribed (cash and pledges), $7,242,585; amount collected as of Feb. 28, 1942, $7,081,186; paid to participating agencies, $5,914,884; ratio of original quota subscribed 131.7%; ratio of total subscribed collected as of Feb. 28, 1942, 97.7%; total campaign and collection expenses to Feb. 28, 1942, $360,000; ratio of expenses in relation to amount subscribed, 4.7%.

The Independent Order of the Daughters of the Empire received $81,700 during the year, which amount is included in the $5,914,884.21 mentioned above.

No moneys were paid out to any of the organizations unless the Minister of National War Service had given his approval. The Minister acted on the recommendation of the National War Charities Funds Advisory Board which was set up to consider and examine into budgets of the various organizations.

Bond Tenders

8 p.m., Mar. 30, Joliette, P.Q.—$58,900 as follows: $35,400, dated May 1, 1942, redeemable in 20 years, and $23,500 redeemable in 15 years. Bids asked for 4 and 4½%. Camille Bonin, sec.-treas.

Bond Redemptions

Acadia Sugar .. †4½%	1955	Apr.	1	102
Saguenay Pr. B. ‡4½%	1966	Apr.	1	104
Ames H. Tire .. *7%	1943	May	1	105
Stand. Lime .... ▲6%	1944	May	1	102

†$24,000. ‡$67,000. *$23,700. ▲$20,500.

St. Thomas, Ont. tax rate for 1942 has been struck at 36½ mills, down ½ mill from the 1941 rate and the lowest levy since 1933. It is expected that the city's debenture debt will be reduced by about $25,000 next year.

Can Store Up Gas Coupons

By STAFF WRITER

OTTAWA.—Contrary to general belief, motorists who obtain other than an "A" rating in the gasoline ration plan will be able to store up credits for an entire year and will not be required to expend their ration each quarter, The Financial Post in informed.

Motorists in "A" category must use their coupons in each quarter or else forfeit the amount of unexpended mileage. Those in categories B, Bx, C, D, E or Commercial are free to use their coupons at any time of the year.

Thus a business man who does most of his driving in the summer months may use as much of his mileage as he wishes between say April and October.

Bond MARKETS

Small relief for municipalities. One of the first concrete evidences of what Ontario's new relief policy will mean to the municipalities is given in the 1942 budget for Toronto. Because of lowering the Ontario government relief grant from 75% to 50% the city this year has to provide an extra $192,000 in relief costs. Under present conditions, of course, the relief question is not much of a problem—unemployment is at low ebb and revenues are high—but that is obviously not permanent and the day may very well return when urban property holders may find themselves loaded with an inordinate portion of the cost of maintaining the unemployed. Relief costs in days past have proved to be heavy and sometimes insupportable burdens for Canadian municipalities; the narrowing of the basis for support of that cost can hardly be regarded as a constructive development on a longer-term basis.

* * *

Tax agreement bill introduced. Finance Minister Ilsley introduced to the House this week necessary legislation authorizing him to enter agreements with the provinces whereby the latter will cease collecting income and corporation taxes in return for compensation from the Dominion treasury. In each case this compensation amounts to: B.C., $12 millions; Alberta, $4 millions; Saskatchewan, $5.8 millions; Manitoba, $5.6 millions; Ontario, $28.9 millions; Quebec, $20.7 millions; New Brunswick, $3.6 millions; Nova Scotia, $2.9 millions; P. E. I., $701,943.

* * *

Success of the Victory Loan should go a long way toward overcoming some of the misunderstanding about capital and the part it plays in our economic system, says Nesbitt, Thomson & Co. in the current issue of "Investments." The comment goes on that when peace comes, the public should readily see the role which capital, working with labor, must play in creating new jobs for millions of Canadians by turning raw materials and natural resources into finished goods. Owners of Victory Bonds have a vested interest in Canada's future and with this vested interest, there should come a greater appreciation of the part which capital, as a co-worker with labor, plays in building a better and greater Canada.

* * *

U. S. traders warmer. Says the Wall St. Journal in a recent issue:

"Foreign bond men have noted a quickened interest in Dominion of Canada direct and guaranteed obligations since recent completion by that country of its Second Victory Loan campaign. Preliminary indications are that bond sales under the campaign ran to more than $1 billion. Such a figure is a highly impressive one when considered in the light of Canada's relatively small population."

* * *

Winnipeg Electric A's and B's continued to attract some buying attention during the past week. Annual report for 1941 is not yet available but unofficial word is that earnings for the year showed a substantial improvement over 1940.

Burns & Co. 5's of 1958 firmed to 74 bid at mid-week on anticipation the shortly expected annual report will show the best earnings for about ten years.

Abitibi bonds, despite the court order that company assets must be sold, showed no reflection whatsoever, price remaining steady around 74½ to 75. This situation has changed so many times that traders apparently thought it better to remain on the sidelines for a time.

THROUGH RUMOURS AND FEAR

many of the Stocks of aggressive Junior Gold Mines which have an undoubted brilliant future have been depressed in price to ridiculously low levels. These Fears and Rumours, we are convinced, are entirely unfounded.

WE HAVE ABSOLUTE CONFIDENCE

in the present soundness and future importance of Canada's Gold Mining Industry. We regard its operation as an integral, essential part of the Canadian War Effort and General Economy.

It is apparent that the shares of our profitable junior producers are now selling far below their intrinsic value and it is our opinion that purchases of this class of security, in addition to giving a very high yield, will show exceptional profits within a reasonable time. The following have many years of profitable life ahead and are now selling at prices which are ridiculous when consideration is given to present and future earnings.

PRESTON EAST DOME
MACASSA MINES
CHESTERVILLE LARDER LAKE
MacLEOD COCKSHUTT
MALARTIC GOLD FIELDS
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Off the thundering presses they come in a never-ending stream . . . the rotogravure sections, the comics, the colourful magazine sections, the novel, the news! The meter clicks off 600,000 copies, goes on past—and the Star Weekly has set *another* circulation record in Canadian publishing!

600,000 is vast circulation in Canada, reaching out into every town and city across the Dominion. No other *two* national publications combined can match it—no other *one* can come anywhere near it.

Star Weekly circulation reaches more than 1 out of every 4 English-speaking families in Canada. And because it is bought by people who pay ten cents a copy each week it assures advertisers *interested* readership.

The STAR WEEKLY
PUBLISHED AT 80 KING ST. WEST, TORONTO
Montreal Office: University Tower
U.S. Representatives: Ward-Griffith Inc.

BY FAR THE LARGEST CIRCULATION IN CANADA Plus HIGH READERSHIP

The Editorial Page . .

Great Men Are Not Gods

Some of the editorial comments that are being printed regarding General Douglas MacArthur suggest that he is a combination of Alexander the Great, Julius Caesar, Napoleon Bonaparte, Hannibal, Marshal Foch and Robert E. Lee.

Perhaps he is; let's hope so. We need one good English-speaking general in this war.

But is it fair to present any soldier as a superman, on the basis even of so fine a record as General MacArthur has had in the few short weeks the United States has been in the war? Is it fair to him, we mean. Give a man a reputation as a miracle-worker and he has to produce miracles or be cast into the outer and darker corridors of public esteem. Recognize the strong qualities he has and people will expect him to demonstrate those qualities—and no more.

General MacArthur is in danger of suffering the fate of Winston Churchill. People in all the United Nations built up Churchill in their minds as something a little less than God. He was the great leader; the great inspirer; the great strategist; the great administrator; the great orator.

Churchill is some of those things, but not all of them. His greatest quality is courage, which he combines with stubborn resolution. He expresses the British people's spirit of unbreakable resistance better than anyone else has been able to do it. Churchill himself is reported to have remarked in Ottawa, "My strength lies in the fact that I am able to put into words the things that are in the minds of the British people."

A few weeks ago Churchill could do no wrong. Now certain sections of the American press in particular, but also of the British and Canadian press, have turned against Churchill. They scorn his war strategy. Well, on the record it has not been too good. They dislike his obstinate loyalty to some of his more second-rate associates. That, too, has been one of Churchill's weaknesses. He is not a very able administrator. He has not always been able to pick out and use the best of the genius around him.

Churchill is one of the great. But Churchill has his weaknesses. It would have been fairer to him if his weaknesses as well as his strengths had been earlier recognized. They wouldn't be arousing such violent criticism now if they had been allowed for a few months ago.

We need men like Churchill and MacArthur. We should not destroy them by making gods of them, for such overpraise is bound to have its reaction in overcriticism later.

May Check Prairie Progress

In the last five years, and especially since the war, substantial progress has been made in diversifying Prairie agriculture. Alberta has been contributing more hogs to our huge bacon quota to Great Britain than Ontario, and Manitoba and Saskatchewan have greatly increased their output too. There has been an amazing gain in the production of dairy products, especially butter, and many advances in several other lines of mixed or diversified farming.

A continuance of the present progress for a few more years would result in sweeping changes in the economic picture of the Prairie Provinces. In contrast to the old days of exclusive wheat, when, if there was a crop, money flowed into the country only once during the year, under the new type of farming cheques would go out to farmers every month. There would be much greater stabilization, much less risk of everything being wiped out by a spell of unfavorable weather.

It is to be hoped that this most desirable progress is not menaced by the new blanket increase in wheat subsidies. It is going to be difficult to keep farmers in marginal areas interested in hogs and dairy cows, if they think they can make just as much money with much easier produced wheat—no matter how much of the latter grain we have piled unsold into our elevators—no matter how badly Britain needs other foods.

This point received no consideration by spokesmen of the recent wheat delegation to Ottawa. It has received scant consideration in the parliamentary debate on the wheat legislation before the House of Commons. There is little indication that leaders of many farm groups in this country are as interested in agricultural problems as they are in politics.

The problem of prairie agriculture is not one that can be easily solved. That vast area of open, level and rich land which is almost unbroken from Winnipeg to the Rockies cannot be transferred from wheat to mixed farming over night. Under our present limits of crops and climate, some of it is only adapted to wheat, but fortunately it grows the best quality of wheat in the world. Provided we keep our costs in line, marketing difficulties now or after the war should not be insurmountable.

There can be no objection to encouragement of wheat production in this special area, but we are not going to help our wheat marketing difficulties or bring stabilization to the whole agricultural development in the Prairie Provinces by encouraging marginal areas to increase production of this cereal. New war markets with their unlimited demands for dairy and meat products have presented us with an unprecedented opportunity to switch easily and profitably from wheat. It is folly to place handicaps in the way of that diversion.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and man power, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with post-war employment and relief problems.*

A Solution For India

Britain has sent Sir Stafford Cripps to India to help the people of that polyglot land work out their own plan for Dominion status. Whatever he does will be "wrong." If he achieved the miracle of inducing the Hindus, the Mohammedans and the Princes to agree upon one plan satisfactory to all, he would still have certain Anglophobe sections of the American press and certain American radio commentators to deal with. They would be against his plan, whatever it was.

Maybe Winston Churchill has really gone about the solution of this problem the wrong way. Instead of Sir Stafford, perhaps he should have appointed a Royal Commission to set up a new constitution for India. It is not too late to do this now. The commission would have to be made up of people to whom the problem is all very simple; one as white as white or as black as black.

As a starter the following Royal Commission might satisfy the critics:

Colonel Robert McCormick, publisher of the Chicago Tribune;
Upton Close, radio commentator of California;
Hans Kaltenborn, radio news pundit;
Capt. J. Medill Patterson, publisher of the New York Daily News;
William Randolph Hearst, publisher of a string of American papers.

A few more names, including some Canadians, could be suggested but these profoundly inspired students of the India problem would do to start with. If they got to India and became so tangled up in the problem that they never came home again, so much the better—except, of course, for India.

Industry's Real Role

What is the real responsibility of industry in wartime? Is it to make profits or something entirely different?

G. W. Huggett, president and managing director of Canadian Industries Ltd., significantly relegates all discussion of earnings and financial matters to a minor, and back page, position in his remarkably interesting and informative report, a report which, incidentally, shows the second consecutive decline in profits since the war started.

In Mr. Huggett's opinion, however, industry has other more important functions in war time than making profits. First, he says, "major responsibility lies in the efficient utilization of those resources remaining under the control of management."

This is for the war period itself. After peace another vital function will become necessary. "Industry," he says, "itself can assist in lessening the severity of the post-war transition period by preparing to meet the situation when the artificial impetus given by war demands is withdrawn and activity is once more concentrated on supplying normal needs."

New and improved products should be ready and helpful but "a decrease in selling prices based on lower costs of production and distribution appears to offer the most effective means of encouraging post-war consumer demand."

To keep productive resources fully employed, larger reserves of consumer purchasing power must be established during wartime and all non-essential expenditures deferred to build up a strong potential demand for industry's output.

Wars have always left in their wake new economic problems, Mr. Huggett concedes, but "if in Canada a united determination to expand production is fostered, the industrial experience and knowledge acquired within the country since 1939 could undoubtedly be utilized to achieve real material progress."

As a wartime creed for industry and the Canadian public, such ideas would have much to contribute, first to winning the war, and next to winning the peace that will follow.

More and Better Questions

The Speaker of the House of Commons has been getting tough this year. He has been trying to enforce certain rules of the House that had been allowed to lapse into constant breach.

One is the rule that forbids members to read their speeches. This is a good rule; any man who aspires to become an M.P. should learn to speak from notes. Originally, we suspect, this rule was introduced to prevent members from getting outsiders to write their speeches, which in turn would have led to members becoming mere mouthpieces for certain groups.

Another rule requires questions—except those of urgent national importance arising out of events of the day—to be placed on the order paper. This also has some advantages; it gives the ministers who have to answer the questions a chance to gather material for the answer.

A third rule is the one that bars a member from asking supplementary questions arising out of an answer given by the minister. Since the rule is there the Speaker must enforce it, but is it a good rule?

Nothing is more valuable in the procedure of the British House of Commons than the practice of devoting the first hour of the day to questions. When a question is asked and answered, members are permitted to supplement their search for information with other questions. Thus an intimate liaison between the people and the government is provided that affords many useful advantages. The people get information to which they are entitled and the government is kept on its toes.

More and better questions would help to liven up things at Ottawa.

Editorials in Brief

With these new war suits the average search for a match is going to be cut down 50%.

* * *

Due for revival next week is the popular question of a few decades ago: "How far do you live from the street car line?"

* * *

London, once style leader of the world in men's apparel, now gives way to Ottawa, where a banker with a tape measure decrees, for the duration, no more cuffs, no more pleats, no more extra pockets.

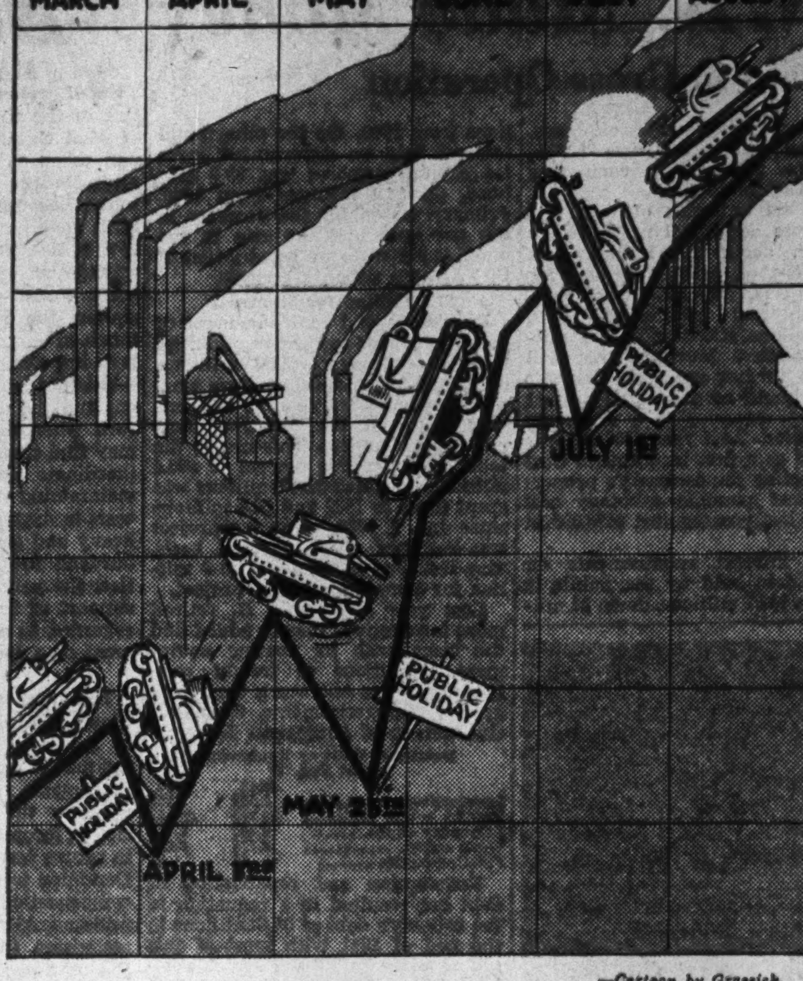
* * *

Quebec, second largest city in Canada, produces about 30% of the Dominion's factory output.—Palm Beach (Florida) Daily News.

This will be news to most Canadians. It is to be hoped that there are still enough Canadian friends left in Florida to bring this error to the attention of our contemporary.

* * *

It was admitted in Parliament last week that the government had no information as to whether or not all municipalities have adopted year-round daylight saving. It is indeed a queer state of affairs if the Dominion authorities have no means of knowing whether countrywide orders of this kind are carried out or not. Regulations not enforced are useless.



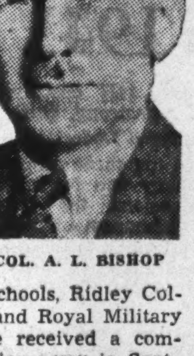
—Cartoon by Grassick.

Tank traps on the production line. Can we afford them in wartime?

Post-Scripts . . .

To Keep 'em Rolling

Canada's venture into the manufacture of synthetic rubber is being directed by a man who has made a name for himself in the army, in mining and public utilities. Polymer Corp., the newly formed government-owned company which is going to handle this rubber crisis, is headed by Col. Arthur L. Bishop of Toronto, assisted by an outstanding group of Canada's industrialists and technicians.



COL. A. L. BISHOP

Arthur Leonard Bishop was born in Brantford, Ont., in 1895. Educated in Brantford public schools, Ridley College, St. Catherines, and Royal Military College, Kingston, he received a commission in the Canadian army in Sept., 1914. In the last war he served in France, Belgium, the Balkans, on the War Office Staff and in the Royal Air Force. He was wounded and mentioned in dispatches. Up to 1934 he continued his connection with military affairs, serving finally as commander of the 5th Infantry Brigade from 1931 to 1934.

Col. Bishop's uncle, the late Col. Leonard of St. Catharines, had organized many companies during the last war, active in making munitions and ships. On his return from overseas, Col. Bishop became associated with these enterprises, many of which have long since lost their identity.

Best known of these interests today is the Coniagas Mines and Coniagas Reduction Co. of which Col. Bishop is now president. Coniagas produced over 32 million ounces of silver from its Cobalt mines up to 1926. Their cobalt compounds were widely used in the ceramic industries of the world. Now Coniagas operates as a mining and mine managing company. Col. Bishop is also president of Sturgeon River Gold Mines and vice-president of Coniaurum Mines.

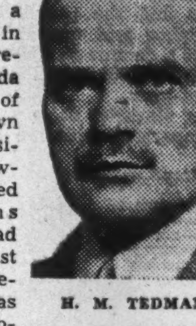
Influence of the late Thomas Bradshaw, F. G. Osler and Col. J. F. Michie was responsible for Col. Bishop taking on the job, first of director and in 1939 of president of Consumers' Gas Co. of Toronto. Here he heads one of Canada's oldest companies and one that boasts a dividend record unique in this country.

His other interests cover a wide range of directorships including: Manufacturers Life, Toronto General Trusts, Imperial Bank, Anglin-Norcross, Consolidated Mining & Smelting, Canadian General Investments, Canadian Locomotive and Commonwealth Electric Co. He is also a member of the Engineering Institute of Canada and the Canadian Institute of Mining and Metallurgy and a governor of Ridley College.

* * *

Advertising Always

Harry M. Tedman, new general manager of J. J. Gibbons Ltd., has been in advertising right from the start of his business life. He began at the lowest rung, as office boy with the old Canadian Advertising Agency. There he learned the first principles of advertising under John I. Sutcliffe.



H. M. TEDMAN

Following a five-year term in England he returned to Canada with the idea of setting up his own advertising business. Soon, however, he joined the Gibbons Agency which had been set up just a few years previously. He has been with Gibbons ever since, moving up gradually through the executive positions to vice-president. Now, following the recent death of J. J. Gibbons, founder of the firm, he has been appointed general manager. Mrs. J. J. Gibbons is the new president and R. A. Barford and R. B. Pattinson have been added to the directorate.

Business associates rank Harry Tedman as an outstanding advertising and business executive. His career has covered almost the whole development of modern advertising and he has been directly associated with hundreds of national advertising campaigns, many of which have made advertising history.

Although advertising men are popularly supposed not to have any hobbies or recreations, this is not true in the case of Harry Tedman. He is an enthusiastic bowler, both on the green and in the alleys. He is on the board of management of the Royal Canadian Yacht Club and is associate secretary of the Arts and Letters Club of Toronto. An old Queen's Own man himself, his two sons, Phillip and Blake, are serving overseas with the artillery in this war, the first being a captain and the second a lieutenant.

* * *

Printers' Nightmare

Last Sunday night in Toronto's Chinatown about 200 people sat down to a banquet of eight courses, starting with the traditional birds' nest soup and ending, eight courses later, with the whites of eggs cooked in honey.

Most of the guests were Chinese, but there was a substantial representation from the English language press and the various Canadian press services. The occasion marked the 15th anniversary of the Chinese Times and the guest of honor was Wong Yick, president and editor in chief of that daily paper in the Chinese language.

In their first 15 years of life most Canadian newspapers face many difficulties, but it is doubtful indeed if even the most unfortunate have encountered the combination overcome by the Chinese Times of Toronto.

In the first place the field is limited—there are only about 25,000 Chinese people in all Canada and not all of them can read or even speak Chinese. In the second place, there is competition from three other Chinese language papers published in Canada. But overshadowing both of these obstacles is the physical and mental task of getting out an 8 page paper in the Chinese language.

In the occidental alphabet there are only 26 letters and about a dozen numbers and signs. With this limited assortment we easily get out newspapers and books of any length.

But it is different in Chinese. With no letters, each character represents a word and it is said that there are no less than 70,000 in the complete Chinese language.

Few, if any students now living, know them all, and one usually gets along with about five thousand.

The Toronto Chinese Times equipment includes a total of 7,000 different characters, without counting any duplications for larger sizes. As there are no automatic machines that could handle such a staggering assortment, all reading matter of course, is set by hand. The type, arranged in trays or cases according to the number and direction of the stroke in each character, is carried on special racks along both sides of two passage ways 40 feet long.

Along these passage ways printers must sprint up and down, sometimes going over 60 feet between the setting of two different words. But printers have been doing this for 15 years and each day the Times goes out to its 3,900 subscribers in Eastern Canada, South America and the West Indies. At the head of the organization is Wong Yick.

In Chinese the surname comes first; but to distinguish him from others of that same name, the editor of the Times is usually known as Mr. Yick. As with most of his countrymen in Canada he comes from Southern China. He was born at Canton where his father was a prosperous lumber merchant and owned the junk concession between Macao and the mainland off Canton. Young Wong largely as a matter of curiosity came to Canada when he was but 12 years old. His first years were spent in Winnipeg where he got his education. There he went to public school and high school and also spent some time at the University of Manitoba.

Now after 30 years in Canada he speaks and writes as easily in English as in Chinese and sees little difference between the people behind those two languages. To him, as he told the men and women who had come to do him honor last Sunday, the Chinaman and his allies in this war are like an assortment of watches in a jeweller's window, different in faces and cases, but all with similar mechanism inside.

* * *

Canadian Honored

For many years few names of Canadians have appeared in the King's Honor Lists, but in the most recent of these one of a former Canadian loomed prominently. Gilbert C. Wainwright, former Canadian banker, but now a resident of Jamaica in the West Indies, was made a Knight Bachelor.

Born in Halifax, N. S., in 1876, Sir Gilbert was brought up in Ottawa and started his business career as a junior clerk with the old Bank of Ottawa in 1889. Nine years later he was appointed manager at Mattawa, not far from Ottawa, and then successively the same position in Hull, Peterborough, Montreal and Winnipeg. Following amalgamation with the Bank of Nova Scotia, Sir Gilbert came to Toronto, then moved to Quebec. From the latter city he went as manager to the Bank of Nova Scotia in Jamaica. He retired in 1932 but continued to live in Jamaica.

Sir Gilbert has been very active in his adopted country. He headed the Banana Industry Aid Board, which did much to put that fruit industry on a firm foundation, and he is a nominated member of the legislative council. He was honored with the O. B. E. in 1936.

* * *

The Mail-box

Extravagant

Editor, The Financial Post:

The Dominion Government picks the most expensive and extravagant way of radio license enforcement at a time when that same Government is exhorting everyone to economize.

This is the procedure for enforcement. A radio inspector, at a substantial salary, calls at your residence to see your license. If you are without one his office makes out a long Writ of Summons, filling up a fourteen inch sheet of paper with it, pays the local magistrate to issue it and pays a constable to serve it on you. Then the time of the inspector, the magistrate and yourself are taken up with the trial which ends up with the payment of the fine and court costs by you whether you have your license at the time of the trial or not.

All this expense both to the Government and yourself could be avoided in ninety-five per cent of the cases by a simple procedure such as this; instead of a Summons the inspector could send you, at a cost of a few cents, a form letter to this effect; "Our records show you have not purchased a license for 1942. If you have not obtained a license by such a date (or, in ten days), a Court action will be instituted against you."

Besides being cheaper the notification method makes a friend whereas the other makes an enemy.

Saint John, N.B. E. E.

"Often Democracies win wars — not always. When they do it, it is because men love liberty enough to accept minor interference with it, for the major purpose of preserving it."—*P. C. Armstrong, Canadian Pacific Railway.*

The Financial Post

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Other People's Views . . . .

The Canadian Editorial of the Week

There Are Too Few Ships

Midland Free Press Herald

SHIPS, SHIPS, AND STILL MORE SHIPS are the most vital war need of the United Nations today.

One glance at the map and the fact slaps one in the face. The war is being fought in every corner of the world. And there is no way to move men, guns, tanks, fighter planes and munitions of all kinds except on ships.

The Japanese have conquered the whole of the southwest Pacific because they had ships and we had not.

Why so little equipment sent to Hong Kong?

Why is it that no reinforcements have yet reached the Americans on the Bataan peninsula?

Why did the British fail on the Malaya peninsula? Why did Singapore fall?

Why was the combined allied fleet defeated in the battle of the Java Sea?

The answer is the same in every case—there were not enough ships.

There were plenty of soldiers and airmen available. There were hundreds of tanks which might have helped save the day.

Without sea power sufficient to control the seas it does not matter how many soldiers and airmen we train, nor how many war machines we build. We cannot win without ships.

The American programme calls for a ship a day while the Germans sink four. Canada plans to produce a million tons of shipping this year while the submarines destroy that much every two months.

Shipyards in Canada and the United States are not nearly at 100 per cent production. Quarrels over working conditions slow up progress while German yards, running at top speed, turn out all kinds of ships. So do the Jap yards.

When will workers on this continent realize that none of the rights over which they wrangle will be theirs if Hitler wins? There are no trade unions in Germany. Dictators do not tolerate them. Men of the master race crack the whip over the slaves brought in from the conquered nations. That will be Canadian labor's future if we lose.

When will our government declare we must build ships at twice our present speed? Steel ships, wooden ships, steam ships, gas-driven motor ships! All shapes and sizes! Anything that will float and carry cargoes across oceans. We cannot have too many. Never!

* * *

As Others See Us

Let's Finance Ourselves

Carleton Place (Ont.) Canadian

It is reported through Washington news sources that Canada is to negotiate a loan in the United States, and the figure $500 millions has been mentioned. The Financial Post comes along with the sage advice: "Let's pull in our belts a little harder and finance the war ourselves just as long as we can." This is a wise admonition and also a further incentive to Canadians to invest to the limit in the Victory Loan.

* * *

Keep an Eye on Him

Peterborough Examiner

The spectacular in a human career is always exciting. Sir Stafford Cripps, late Ambassador to Russia, and who has been given an important post in the reshuffled Cabinet of Premier Churchill, is an example of bounding over high and sometimes troublesome hurdles. "Adelphi," a distinguished British political figure, in an article appearing in The Financial Post of Toronto, produces this pungent paragraph about him:

"Rise of Cripps is one of the most astonishing things in political history. He has three attributes of success—talent, sincerity and luck. It is still to be demonstrated that he has the fourth attribute which is judgment."

Of these four, judgment is supreme in all walks of life—that is for a long, hard pull, such as Britain is going through now.

* * *

Wasted Dollars

Ottawa Citizen

"Wasted dollars cannot be tolerated in this war."—The Financial Post. And you can paste that truism in your hat for guidance after the war, too.

* * *

Plebiscite Cost

Stratford Beacon-Herald

The last general election in Canada—in March, 1940—cost the people of this Dominion $2,760,000. Unless the federal government has evolved some new procedure not yet revealed—Mr. King's pig-in-a-poke plebiscite will require pretty much the same "machinery" as an election, and the taxpayers' bill will be increased accordingly. The lowest estimated "touch" on the public purse is $1,500,000—an "unofficial" but "inspired" figure emanating from Ottawa.

The Financial Post observes that there is a simple — and surely significant—yardstick "with which to measure this unwarranted expense." That yardstick is the number of $50 Victory Bonds which must be bought by the people of Canada to pay the bills for a purely political plebiscite if, as and when forced upon an unwilling country. It will take at least 30,000 such bonds to pay for Mr. King's personal plebiscite—and it is much more likely to cost 60,000 Victory Bonds!

* * *

Use the Senate

Victoria Times

The Financial Post has been sending out queries to prominent Canadians, seeking from them suggestions as to what might be done to increase the usefulness of the Senate.

The situation is that at this time, when the services of every single Canadian are needed, there is at Ottawa a group of 96 experienced men and women, of mature experience and judgment, who for long periods are given practically nothing to do.

This war calls for efficiency on every front and Ottawa should set an example by ceasing to waste the talents of the Senate.

* * *

Stop Me If . . .

Slight indeed—but important—is the shaded difference in meanings of words; between "tense" and "tight," for example. A "new Canadian"—wife of an eminent musician recently come to these shores—now appreciates that, as a result of the manner in which one of her recent sentences was greeted.

Someone asked her "Does your husband ever feel nervous when he is playing?"

She replied "Oh, never. I'm the one who gets tight."

Sayings of the Week

"We must either act—or learn to eat rice and do the goose-step."—*Harold Ickes.*

* * *

"I have often wished that I had not left pigs for politics."—*J. H. Harris, member for Danforth, in the House of Commons.*

* * *

"Hitler is finding it harder to run Europe than it was to over-run it."—*Richard Wilmer Rowan in Everybody's Weekly.*

* * *

"Let's stop thinking about what we'll do when the war is over and start thinking about what we are going to do now to prevent it from being all over for us."—*Donald M. Nelson.*

* * *

"It is my duty to proclaim that those of my compatriots are wrong who would drag Quebec into the underground of non-participation and isolation. A nation is glorious if its people are brave and consent to give their lives to the service of God and country; otherwise it is destined to shame and oblivion."—*Brigadier Georges P. Vanier, D.S.O., M.C. before the St. Lawrence Kiwanis Club, Montreal.*

* * *

"If I could only instil in the people of the Province of Quebec a true spirit of Canadianism, to make them think in terms of Canada instead of just their own province, I would be satisfied with what I had accomplished during the few years I had been in public office. The day all Canadians get together and think along these terms, that will be the day we will begin to make progress."—*Premier Adelard Godbout.*

Packed in tissue, excelsior and a corrugated carton, a vase was formerly delivered in the form of that being held in the girl's right hand; in her left she shows the new style

The Week in Business

Wartime pattern in Canada's business picture continues to develop. Industries which contribute to the war effort, or which use materials not subject to restrictions and shortages, are exceedingly active. Others are feeling the pinch.

Department store sales in February, as measured by the Dominion Bureau of Statistics index, were down to 141.1, a drop of ten points from January but 15 points above a year ago.

Railways are very busy. Carloadings for the week ended March 14 were 4,600 ahead of the same week a year ago and to date this year the gain is 14.2%. Gross revenues for the two Canadian railroads follow the same trend with C.N.R. up 24.2% to date this year and C.P.R. up 28.2%.

Passenger automobile output in February was drastically curtailed below the same month last year and for the first two months the drop is 63.7%.

Truck output, in contrast, was higher and shows a gain of 38.9% for the first two months.

Cigarette consumption in February was away up from last year and continued the previous gains, taking the year's increase to 29.0%.

Life insurance sales are higher in February at $39.4 millions against $31.5 millions and for the first two months of the year the gain is 37.8%.

MONTHLY INDICES

	Feb.	Jan.	Dec.	Nov.	Year Ago
The Financial Post business index	°170.5	168.0	166.6	164.8	154.8
National Income, D.B.S.•	....	....	456.4	442.3	418.9
▪Dom. war expend.•	132.9	145.2	124.4	120.0	82.7
▪Dom. total revenue•	109.7	120.5	111.5	108.4	80.9
▪Dom. total expend.•	163.7	184.6	168.0	170.3	105.5
Retail sales index no.	....	151.3	147.3	138.1	124.5
▪Dept. store sales index no.	141.1	151.1	145.8	137.6	126.1
Wholesale sales index no.	....	132.3	137.4	147.4	106.2
Country store (% change pr. yr.)	....	+20.5	+14.4	+5.5	+2.4
Divd. payment index♦	121.4	121.3	120.3	119.3	120.0
COST OF LIVING—					
D.B.S. index	115.7	115.4	115.8	116.3	108.2
EMPLOYMENT INDEX Nos. D.B.S.—					
All industries	....	165.8	168.8	167.6	134.2
Manufacturing	....	188.4	187.5	185.0	144.7
Payroll index (a) (1937=100)	....	185	193	186	144

	1941-42	1940-41	Jan. 1 to date 1941-42	Jan. 1 to date 1940-41	% Change
RAILWAYS—					
▪Carloadings week Mar. 14)	62,795	58,131	670,047	586,733	+14.2
▪C.N.R. gross (week Mar. 14) $	6,685,000	5,247,000	64,020,000	51,511,000	+24.2
▪C.P.R. gross (week Mar. 14) $	4,738,000	3,680,000	46,805,000	35,944,000	+28.2
▪C.N.R. net revenue (Feb.) $	3,644,440	2,609,117	8,801,552	5,759,511	+52.8
C.P.R. net revenue (Jan.) $	3,184,062	2,665,761	....	....	+19.5
IRON AND STEEL—(January)—					
Pig iron production (tons)	163,156	115,455	......	......	+41.3
Steel ingots and castings prod. (tons)	257,069	208,659	......	......	+23.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* .. (Jan.)	6,043	5,733	......	......	+5.4
▪Factory output ... (Feb.)	3,989	10,647	8,238	22,637	—63.7
Trucks and Buses:					
Domestic sales ... (Jan.)	3,043	2,274	......	......	+33.8
▪Factory output ... (Feb.)	16,192	13,063	33,694	24,268	+38.9
Financing:					
Used (Jan.) $	1,675,898	2,452,366	....	....	—31.7
New (Jan.) $	1,623,444	2,168,043	....	....	—25.1
CONSTRUCTION—					
Contracts awarded (Feb.) $	11,052,200	24,704,600	23,933,100	51,284,400	—53.3
Cement prod., bbls. (Dec.)	369,000	294,000	8,357,000	7,560,000	+10.5
AGRICULTURE—					
Flour prod., bbls. (Jan.)	1,355,850	1,177,369	....	....	+32.1
▪Flour exp., bbls ... (Feb.)	1,056,348	606,757	1,806,711	961,575	+87.9
▪Wheat exp., bush. .. (Feb.)	5,424,327	9,459,594	16,569,135	14,339,674	+15.5
Cattle sales▴ (Feb.)	76,861	68,750	187,137	152,457	+22.8
Hog sales▴ (Feb.)	507,817	511,468	1,102,732	1,043,727	+5.6
SEA FISHERIES—‡					
Catch cwts.▴ (Dec.)	374,300	511,990	10,795,400	10,989,700	—1.7
Landed value (Dec.) $	918,900	1,006,900	25,407,930	18,129,200	+40.2
NEWSPRINT—					
Production, tons ... (Feb.)	278,101	245,607	590,005	506,905	+16.4
Exports (Feb.)	14,248,000	10,324,000	26,913,000	20,087,000	+34.1
MINING AND OILS—					
Coal prod., tons .... (Jan.)	1,897,954	1,777,863	....	....	+6.7
Coal import, tons .. (Jan.)	933,613	529,570	......	......	+76.3
Gold rec., fine oz. .. (Jan.)	442,038	461,602	....	....	—4.2
Crude oil, imp. gals.† (Jan.)	88,896	55,197	......	......	+61.1
ELECTRIC POWER OUTPUT—(January)—					
Total monthly, 1,000 kw.h.'s	3,226,289	2,634,695	....	....	+22.4
FOREIGN TRADE—♦					
Imports (Jan.)	$142,126,584	98,382,462	......	......	+44.4
Exports (Jan.)	$152,307,437	88,952,659	......	......	+71.2
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Feb.)	128,978	151,941	232,421	316,833	—26.7
Shoes, prod., pr. ... (Jan.)	2,463,947	1,901,085	....	....	+29.5
Cotton consump., lb. (Feb.)	16,702,248	16,603,876	33,535,704	32,283,458	+3.8
Raw rubber imp. lb. (Jan.)	434,266	14,093,037	......	......	—96.9
▪Cigarette cons.. No.† (Feb.)	775,737	556.519	1,523,470	1.180,090	+29.0
Sugar manufactured .lb §	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† (Jan.) $	3,230,789	2,941,104	....	....	+9.8
▪Bond sales† (Feb.) $	90,092	115,573	180,418	197,260	—8.5
▪Life insurance sales (Feb.) $	39,357,000	31,500,000	82,438,000	59,826,000	+37.8

*D.B.S All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. New items for week marked ▪.
†000's omitted. §For four weeks to Dec. 31 ♦Gold excluded.
•Millions of dollars °Preliminary. ♦Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce.

Quebec Towns Improve Financial Position

Improvement in the financial status of Quebec municipalities is reported with the clearing up of the financial troubles of five cities and towns out of the 100 corporations which have gone into bankruptcy in the past decade, according to K. E. Potvin, chairman of the Quebec Municipal Commission.

The cases of Chicoutimi and Jonquieres have been settled, Mr. Potvin pointed out, and the case of Bagotville, with about $1,250,000 involved, is on the point of being settled. There are two other corporations, Quebec West for $300,000 and Macamic in the Abitibi for about $65,000 where a solution of financial problems is yet to be found.

Cutting the Costs in Canadian Business

Fewer Wraps For Our Parcels

Big Reductions Save Costs, Materials and Man Power

By ROBERT C. STARK

Mrs. Canadian Shopper these days is finding her accumulation of wrapping paper and boxes—left-overs from her buying forays—building up much less rapidly these days than formerly. Some urban housewives are even wondering how they are now going to wrap the garbage. When the deliveryman used to call, it usually meant wading through bales of paper, cardboard and packing material before getting to the article purchased. Today the same operation is a matter of seconds, sometimes the purchase comes totally unwrapped.

The sharp reductions which are being made in parcelling and wrapping have a two-fold objective. Primarily the aim is to conserve materials, for the corrugated and kraft papers so extensively used for parcelling are now much in demand for containers in which shells are shipped. One huge Toronto department store figures that the eliminations and reductions in wrapping paper they have in hand will mean an annual saving of something like 65 tons of kraft on their own deliveries alone.

In similar mood is the desire to cut use of the stout marlin twine wherever possible. Marlin twine uses sisal and our sisal used to come from Java.

Other aim is to cut costs, to help absorb the squeeze that the retail price ceiling has brought in some lines. How much the actual savings will amount to naturally varies from article to article. Some things are now being sold entirely without wrapping of any kind so there will be a 100% economy here. One large Toronto department store estimates that on an overall basis the changes being made will cut wrapping costs by at least 50%.

Some idea of the actual savings possible through such reductions is indicated by what is being done with moderately-priced dresses. Formerly these dresses were put up in a garment box requiring four sheets of tissue all securely bound with twine. Now they are being sent out in one sheet of cardboard, two sheets of tissue and a kraft wrap. The old style costs 2 2/3 cents, the new style costs 7/10ths of one cent.

How They Are Cutting

In practically every article of the thousands handled by Canadian departmental stores similar reductions are being made. Here are some other examples:

Silverware formerly had an elaborate packing which included shredded tissue, corrugated paper, silver paper, wrapping paper and a box. The streamlined parcel for silverware has eliminated the shredded tissue, expensive corrugated paper, outer kraft wrap and the elaborate type of gift box.

Moderately priced china and pottery used to be delivered in a corrugated carton with much accompanying tissue and excelsior. Vases are now being sent out entirely without wrapping.

Unwrapped Bottles

The same holds true for medicinal articles which were put up in a corrugated box using a "fragile" or "glass" sticker. Now when you order a bottle of castor oil what you get is the plain bottle of castor oil with your address slip tied around the neck, or the bottle may be sent along in the carton in which it came from the manufacturer.

Articles used for work or play are feeling the breeze of this wind of economy. For instance, carpet sweepers and different types of sporting goods formerly used corrugated paper and marlin twine. Now they arrive in naked splendor; tear off the address slip and they are ready for action.

Tobacco, wax paper, scatter rugs all formerly used much kraft wrapping paper; now they are going out with only a tag attached.

Pyrex dishes used to be delivered enclosed in the manufacturer's carton, excelsior pad, corrugated paper and kraft wrap. Now they come in the manufacturer's carton only.

Electric fans now come with only a tag attached compared with the previous wrap of excelsior, cardboard carton and kraft paper. Even the fragile thermos bottle gets no different treatment, for it too has been entirely shorn of its wrapping.

More Streamlining

Bridge tables which used to be swathed in corrugated paper and then wrapped in kraft now are delivered in one sheet of kraft only. Floor lamps formerly were delivered in a coffin-like cardboard container which entirely enclosed the lamp and in which a considerable quantity of excelsior was used. The streamlined delivery version is to put an excelsior pad and a small container around the base, a paper bag over the top and send the lamp on its way.

Ready-to-wear dry goods such as men's sweaters and women's lingerie which formerly used cardboard are now being sent out in just a kraft paper wrap and the address label is being used to seal the parcel.

Gift Wrapping Out

Free gift wrapping which used to consume valuable time as well as a very appreciable volume of fancy paper, ribbons, etc., is a thing of the past. If a customer wants his gift put up with all the trimmings he now has to pay for it—incidentally requests for gift wrapping have shown a precipitous drop since a charge has been imposed.

Reclaimed materials are playing a big part in the wrapping economy drive. All corrugated paper is being reclaimed for use over again. Unusable cartons are being cut up and used instead of corrugated paper, a development which has meant an even stronger protection than that given by corrugated. For one store in Toronto these steps alone have almost entirely eliminated the purchase of corrugated paper pads.

Egg cartons, for instance, formerly went out done up in a purchased corrugated wrap. Now salvaged cartons are being used to such effect that a carton of one dozen eggs so wrapped can bear the full weight of a man.

When a customer returns a parcel for exchange the box is reclaimed and used over again simply by putting a sticker over the old address. Customers are being encouraged to return corrugated cartons; stickers asking them to open the carton carefully and give it back to the driver on his next call are now being attached.

Breakages Down

What have all these steps meant from the customer's standpoint? Has the delivery of totally unwrapped pottery, glassware and other fragile items brought a sharp upswing in breakages? Do fuss-budget customers raise a rumpus over what they might think is inadequate wrapping?

Surprisingly enough the trend of damages to goods in delivery is very sharply down. The deliverymen can see what they are handling now; a man who might have carelessly tossed a cardboard container into his truck is not likely to do the same thing with an unwrapped vase. The record is made more remarkable through the fact that from customer's purchase to delivery an article passes through eleven separate pairs of hands.

So far as complaints are concerned they have almost unanimously all been on the other side of the fence with customers calling up to give their view that too much wrapping is still being used. One woman measured the length of twine used to wrap her purchase and said she thought that could be materially reduced. Another woman arrived at a downtown Toronto store bringing along her own wrapping paper. Articles which used to be wrapped in several sheets of tissue and a cardboard container are now being carried from stores in a paper bag without a murmur being raised. These steps, too, have meant a very appreciable saving in man power through the elimination of many bulky cartons and the drastic cutting down in the use of dusty excelsior. One wrapping unit of a Toronto store formerly employed 15 men; through simplification it is possible for this unit to now employ three men for the heavier work and to make up the rest of the staff with young girls.

On the Record

R. V. Woffindin, president and general manager, A. G. Spalding & Brothers of Canada, Ltd., appointed chairman of advisory committee to the sports' goods administration of the WPTB. **W. A. Richardson,** president, Peterboro Canoe Co. Ltd. and **L. J. Jennett,** Jos. Choquette Wood Specialties, Ltd., Montreal, will be on the committee.

A 10,000-ton freighter can carry two complete bombers on deck and enough aluminum to build 310 medium bombers or 640 fighters; enough motorized equipment to equip a full infantry battalion; 2,150 tons of metals; enough flour, cheese, canned and dried foods to feed 225,000 persons for one week; 1,900 tons of bombs; and enough lumber, plywood, wallboard and nails to build 90 four-room cottages.

Road building and repairing to be curtailed because of shortage of asphalt, petroleum asphalt and steel.

5,250,000 pairs of socks were ordered for the armed forces in 1941, an increase of 1,000,000 pairs over 1940. Woollen gloves were bought at the rate of 100,000 pairs a month. (M. & S. 755.)

Wartime Metals Corporation has been formed as a government owned company to look after production of metallic magnesium. Directors are: President, **Jules R. Timmins,** Montreal, president, Hollinger Consolidated Gold Mines; **J. H. C. Waite,** Toronto, president, Mining Corporation of Canada; **R. E. Stavert,** Montreal, vice-president, Consolidated Mining and Smelting Company of Canada; **James G. Ross,** Thetford Mines, Quebec, manager, Asbestos Corporation Ltd.; **J. E. Perrault,** K.C., Arthabaska, Quebec, director, Noranda Mines.

Plastics Advisory Committee appointed to co-operate with the Controller of Chemicals in regard to all matters concerning synthetic resins, varnishes, molding compositions and other plastics. The committee will comprise: **K. H. Braithwaite,** general manager, Duplate Canada Ltd., Oshawa; **J. H. McCreedy,** secretary-treasurer, Hale Brothers Ltd., Montreal; **L. J. Falkenhagen,** sales manager, Jos. Stokes Rubber Co., Ltd., Welland; **A. G. Ballard,** general manager, Diamond State Fibre Co. of Canada Ltd., Toronto; **W. M. Davidson,** general manager, Bakelite Co. of Canada Ltd., Toronto; **A. E. Byrne,** manager, Plastics Sales, Canadian General Electric Co., Toronto; **P. Gunter,** general manager, Mack Molding Co., Waterloo. (M. & S. 761.)

Dalton J. Little, formerly regional director of licensing WPTB, has been transferred as research officer to the publishing, printing and allied industries administration.

Lumber industry of Canada has been asked to increase its output by 40%. (M. & S. No. 762.)

Granby Rubber Firms Still Operating

From Our Own Correspondent

MONTREAL.—Of the four plants in Granby and Actonvale, Que., which have been using rubber as their principal raw material, two have changed their production and have practically eliminated the use of rubber.

To date the steps taken by the plants in that district to meet the rubber situation have been so successful that they are all continuing to operate while only some 70 people have been laid off by the factories involved.

This information is supplied in a statement by the Granby Board of Trade, correcting an earlier report that six plants had closed, throwing 2,000 workers out of employment.

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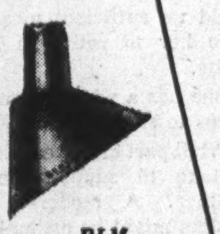
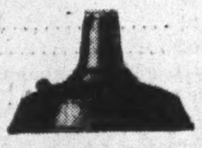
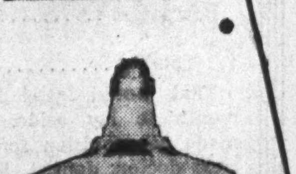


RLM Symmetrical Angle





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Policy Loans In Quebec Ruled Legal

Supreme Court of Canada Gives Decision in Equitable Life Case

Under a decision by the Supreme Court of Canada, policy loans made to the wife of a life insurance policyholder with the consent of the husband are valid in Quebec province the same as elsewhere.

Interest in the matter is widespread because the judgment reverses the findings of the Quebec Court of Appeal in June, 1941 which ruled such payments to be invalid.

One of the consequences of the judgment by the Court of Appeal was that the life insurance companies for some months stopped making further policy loans in Quebec province. Meanwhile legislation is before the Quebec Legislature seeking to change the Husbands' and Parents' Life Insurance Act to validate loans and surrenders.

The Circumstances

Circumstances of the case were these.

In 1916 a life insurance policy for $50,000 was issued by the Equitable Life Assurance Society of the United States to Charles A. A. Larocque. Mr. Larocque subsequently made his wife the beneficiary. In 1930 Mrs. Larocque, with the written consent of her husband, signed a request for a payment in advance under the loan provisions guaranteed by the policy. This advance payment of $17,000 was made by the company by cheque payable to the order of Mrs. Larocque. Evidence at the trial showed that Mrs. Larocque endorsed the cheque and it was deposited in the husband's bank account.

The policy continued in force until Aug., 1934, when it cancelled because of failure of the assured or the beneficiary to pay premiums.

No Objection to Cancellation

No objection was taken to the cancellation of the policy until after the death of Mr. Larocque in Dec., 1936. The widow then sued the insurance company alleging that it had had no right to make the advance payment and that therefore the $17,000 should still be credited to the policy and the policy should still be considered in full force at the time of the husband's death. The claim was upheld in the Quebec Superior Court. She was accordingly given judgment for $46,022 this being the amount of the face value of the policy, less premiums not paid.

The judge held the advance payment of $17,000 was illegal because the wife had obligated herself with and for her husband. Such action, it was declared, was contrary to the provision of article 1,301 of the Civil Code. The judgment was sustained by the Court of King's Bench in appeal.

This court cited another section of the Civil Code as nullifying advance payments of this kind.

The appeal court judgment raised serious questions for every policyholder in Quebec as well as for the companies.

The Supreme Court decision, however, holds the company, the policyholder and the beneficiary were acting within their rights in doing as they did.

Meanwhile the judgment of the Supreme Court will probably not affect the passage of the amendment to the Husbands' and Parents' Life Insurance Act, now before the Quebec legislature, as it is felt the decision only emphasizes the need of clarifying the law.

NOTICE

Notice is hereby given that the PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-784 authorizing it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

Repeats Threats on Fire Rates

Ontario's Attorney General Warns Reductions Must Come

Warning of Hon. Gordon Conant, attorney general of Ontario, that stock fire insurance companies must reduce fire insurance costs or face unprecedented government control may have some effect, informants tell The Financial Post.

Another blow has been struck against present fire insurance rates and co-operative rate making in the United States by John A. Diemand, president (elected in 1941) of the Insurance Co. of North America. It was he who—at least in part—precipitated the present study of the Canadian rate structure by the official withdrawal of his company from the Canadian Underwriters Association a month or so ago. Recently Mr. Diemand hurled a similar challenge at the fire insurance industry in the United States and calls for widespread changes in rates and in underwriting practices.)

Committees at Work

Committees of the Canadian Underwriters Association are already at work in Ontario and Quebec on reductions in premium rates which, it is expected, will reflect the drop in the fire loss ratio in recent years. These reductions will be in addition to those effected in 1940.

Another committee, representative of both underwriters and agents is also at work, with the object of adjusting agents' commissions on a basis satisfactory to all concerned. This committee has instructions to report by May 1. The premium rate committees of the C.U.A. are expected to report before that.

The prospect of action by the Ontario government depends to some degree on the reports that will be made by these committees. Premium reductions would in some cases mean that companies would cut their internal costs to protect their financial position.

In an address before the Ontario Mutual Fire Underwriters Association in Toronto last week Mr. Conant said:

"According to the last Dominion report, on 1940 business the average cost of Canadian insurance companies doing business amounted to 50.12% of the premium income. The comparative figures for Ontario farm mutuals were 20.29%. In other words, while the farm mutuals in Ontario were expending a little less than 21 cents out of premium dollars to defray the cost of doing business, other insurance companies were expending over 50 cents out of every premium dollar.

"To put it another way, out of every premium dollar the farm mutuals received, a little over 79 cents was available to pay losses and build up reserves, whereas other Canadian insurance companies had less than 50 cents to satisfy losses and for other purposes.

"I cannot avoid the observation that the farm mutuals' cost of doing business is moderate and reasonable, while, on the other hand, the cost of doing business of other insurance companies is excessive."

Blames Agents' Commissions

One stock fire insurance man said the difference in costs of doing business between the two groups indicated by Mr. Conant was mostly in taxes and agents' commissions. Taxes of all kinds, he claimed, took possibly four to six cents of the premium dollar. The ordinary farm mutuals did not pay taxes the way the stock and a few groups of other mutual insurance companies do. If taxes were added on, it would probably bring up the mutual costs to 24 or 26 cents of the premium dollar. Then if agents' commissions of 25% are added, the cost of the two types of insurance is almost equal.

The mutuals as such pay very little in the way of commission, it is claimed.

The whole question of agents' commissions has been regarded as the big obstacle to general rate reductions in the past.

McNairn Speaks

In his 1940 report, Hartley D. McNairn, Superintendent of Insurance for Ontario, stated that the main cause of complaint as regards commissions was the higher rate paid to some agents in certain excepted cities.

"While some agents in receipt of a higher rate of commission are equipped and qualified to render and do render a service which might entitle them to a higher commission rate, the dissatisfaction arises from a substantial number who are not so equipped or qualified, but who have nevertheless received a higher rate of commission. . . . There is no doubt that the present basis of agents' remuneration is, in a number of respects inequitable, and that the cost of insurance to the public is in some cases increased by the higher rates of commission which are not always justified by the services rendered."

Life Insurance Sales Up 25%

Gains Shown in Eight Provinces Over Last Year

Life insurance sales in Canada and Newfoundland continue on a higher level than a year ago although lower than in immediately preceding months.

Total sales in February were $39.3 millions, an increase of practically 25% over the corresponding month last year, but down about 8% from January preceding.

Gains per cent in some of the larger cities over 1941 were: Toronto 17%, Winnipeg 20%, Montreal 26%, Vancouver 24%, Ottawa 43%, Hamilton 23% and Quebec 8%.

The figures are compiled by the Life Insurance Sales Research Bureau and published by the Canadian Life Insurance Officers' Association. They are based on data supplied by 18 companies representing 85% of the business in force in Canada and are for new, settled-for, ordinary insurance exclusive of increases, revivals, dividend additions, reinsurance acquired, annuities, etc.

Life Insurance Sales in Canada and Newfoundland
(000's of $)

	February 1942	February 1941	Change %
Alberta	2,138	1,468	+45.6
Br. Columbia	2,988	2,210	+35.2
Manitoba	2,394	1,700	+40.8
New Brunswick	943	678	+39.1
Nova Scotia	1,514	1,286	+17.7
Ontario	17,472	14,431	+21.1
Pr. Ed. Island	152	165	—2.5
Quebec	10,211	8,481	+20.4
Saskatchewan	1,126	844	+33.4
Newfoundland	419	246	+70.3
	39,357	31,500	24.9

Sales by Months, 1939-1942
(000's of $)

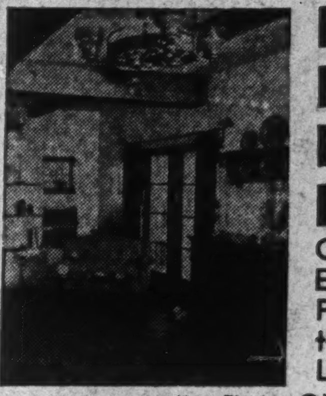
	1939	1940	1941	1942
Jan.	28,767	33,726	28,326	43,081
Feb.	29,202	31,820	31,500	39.357
Mar.	31,710	30,265	33,700	.....
Apr.	26,357	32,248	35,398	.....
May	30,123	31,779	36,172	.....
June	32,226	28,530	33,670	.....
July	20,902	28,159	32.681	.....
Aug.	2,494	24,698	29,597	.....
Sept.	34,262	26,156	33,975	.....
Oct.	31,900	31,210	41.740	.....
Nov.	33,034	32,899	44,984	.....
Dec.	34,759	33,727	47,172	.....
Total	368.726	365,217	428,915	.....

STRESS QUALITY OF PROSPECT

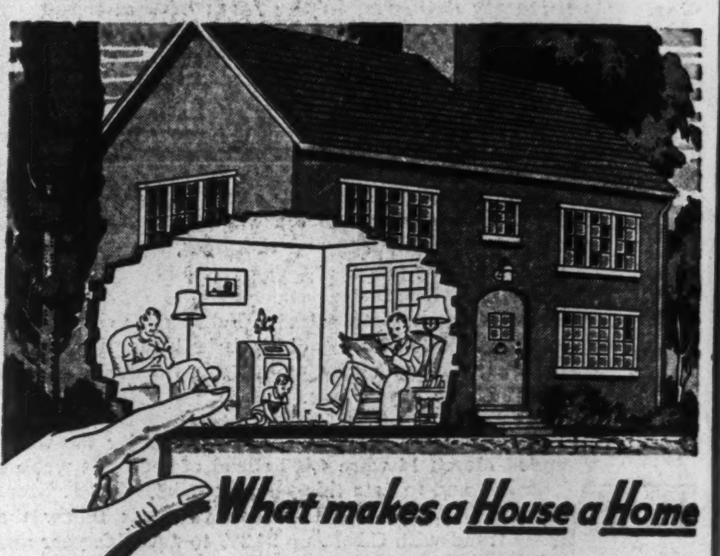
The need of getting good prospects was stressed to the Life Underwriters Association of Toronto at their March meeting by R. B. Coolidge, agency superintendent of the Aetna Life Insurance Co. Prospects were not hard to get if the agent went after them efficiently, he added. As an instance of what could be done, he cited one man who making his rounds as an A.R.P. warden built up a new list of prospects.

United States Fidelity & Guaranty Company
TORONTO

Not the Biggest—But the Best
Modern Times Demand Modern Insurance Protection


(Acme Photo)
BUY WAR SAVINGS CERTIFICATES

PERSONAL PROPERTY FLOATER INSURANCE
Covering ALL Personal Effects and Household Furniture against practically ALL Risks in ALL Locations.
ONE Policy for ONE Premium with ONE Expiry Date.
A Specialised Line of
The CANADIAN FIRE INSURANCE COMPANY
The CANADIAN INDEMNITY COMPANY



What makes a House a Home — and what does it cost?

It's living, and all the things that go with it . . . furniture, pictures, books, prized personal possessions . . . that make a house a home. Yet many homeowners, while adequately insuring the house, seriously *under-insure* the contents. When fire comes, it is often the contents that bear the brunt of the damage.

So don't take chances. Consult your British Northwestern agent — he will show you how *economically* you can be *fully* protected. Your inquiry is invited.

British Northwestern
FIRE INSURANCE COMPANY
HEAD OFFICE FOR CANADA: 217 BAY STREET, TORONTO
J. H. Riddel, *Managing Director* V. G. Creber, *Asst. Manager*
A. C. Ruby, *Br. Mgr.*, WINNIPEG M. Nevill, *Br. Mgr.*, VANCOUVER

Life Insurance Contest – Honorable Mention – Problem 4

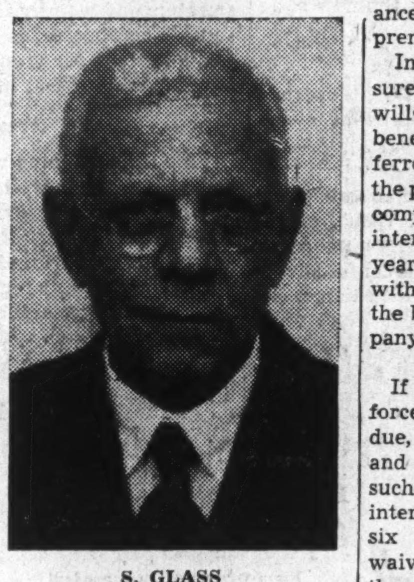
Programme For the Business Woman

Life Policy With Waiver of Premium Suggested

This is the second article that won honorable mention in problem four of The Financial Post insurance contest. The person for whom a programme was asked in this problem was outlined as "a single business woman, age around 30, now making $100 a month, with prospects of some increases. Has $700-$1,000 saved. Helps maintain widowed mother. Dependent on her own efforts. Her main object is to build up resources on which she can retire."

The writer, S. Glass, was born in Amsterdam, The Netherlands. He went to England with his parents when a child and became a cabinet maker. In 1905 he came to Canada. Joining the Metropolitan Life in 1906, he has been with the company ever since with the exception of three years. Mr. Glass is a good all round insurance man. He is not now on active service with the company, but devotes his time to conservation of business he has already written. He also services accounts of other men on vacation. He likes a game of chess and is a collector of rare books.

This is the last article in the contest series.


S. GLASS

By S. GLASS
Metropolitan Life Insurance Co., Hamilton

A young business woman as outlined in the problem desires to build up sufficient means to enable her to retire in her later years.

She has a widowed mother she helps to support.

What part of her earnings would it take to support herself and mother? A moderate monthly budget might be estimated as follows:

	Monthly
Rent	$30
Food	28
Electric light & cooking	4
Car fare	5
Clothing	10
Recreation	8
Total	$85

That would leave her $15 a month to lay aside. We have made no provision for emergencies: doctor, dentist, hospitalization, etc. She would be called upon to contribute to our war effort also. She may be eligible for a higher cost-of-living bonus. Fortunately she has a savings account as noted above, that would enable her to meet these emergencies should they occur.

Use Present Figures

Notwithstanding that her prospects are good for an increase in earnings, we can only deal with her present income. Accordingly, in fairness to her, we have decided to present a programme which in our judgment should be satisfactory to her, and meet her mother's approval. This is important. The mother should be present at the time the proposal is made. She has a vital interest in the transaction, as undoubtedly she would be the beneficiary. Should the daughter later feel she would want to discontinue her contract because of discouraging possibilities that may or may not materialize the mother naturally would endeavour to prevent her from doing so. It is reasonable to believe she can invest about $15 a month or $180 a year for life insurance. Any reliable life insurance company could submit the following programme that we would judge to be the most suitable: $3,500 insurance with disability waiver of premium clause.

In the event of death of the insured the face value of the policy will be paid in a lump sum to the beneficiary on record. Or if preferred the beneficiary can leave the proceeds of the policy with the company, payable monthly with interest for a specified number of years selected by the beneficiary with the privilege of withdrawing the balance on notice to the company on a commuted value basis.

Disability Benefit

If while the policy is in full force and premiums paid when due, should the insured be totally and permanently disabled, and if such disability has continued uninterrupted for a period of at least six months, the company will waive premiums when due during the continuance of such disability. Should death occur during disability, the full face value of policy ($3,500) would be paid. Premiums waived would not be deducted from the policy. At age 60, assuming the insured decides to retire, some companies will guarantee a minimum cash value of not less than $6,629; some companies will have dividend additions, others again are non-participating at a slightly lower premium.

Or the insured could have a life income of $35 a month, which would be for 10 years certain, or as long as she may live.

What does the company mean by 10 years certain? It means that should the insured die within 10 years from the beginning of the monthly payments, the balance of monthly payments left unpaid would be commuted and paid in a lump sum to the person, or persons so entitled.

Larger Income Wanted

We have now arrived at the end of our presentation. So far we have been successful in creating interest to both mother and daughter. They like the plan with one exception, and that is that a monthly income of $35 would barely pay the daughter's way in her declining years. There is the alternative of course of the lump sum settlement of $6,629. She admitted she would not know where to invest it with safety that would give a larger return, with peace of mind. Then we drew her attention to the fact that this plan was only a start in her objective in building up a moderate income for the later years. We reminded her that her prospects are good for larger earnings from her employment, and in succeeding years she could make additions from time to time, to the plan presented. This would give her extra insurance and disability benefit with an increased income at age 60, regardless as to when she would apply for the additional benefit.

In concluding, should this lady marry, after two or three years and her status in life be changed. nonforfeiture privileges would come into operation automatically. These include paid-up insurance for proportionate amount, or cash value, or full face value of policy for a term of years in accordance with the number of years the contract had been in force.

Insurance Notes

Among the large subscriptions to the second Victory Loan was that of $2,750,000 by the Aetna Life Insurance Co. This was first reported as $750,000 but a last minute purchase brought the total figure up to the higher level.

• • •

F. E. Bowen, manager of Oakland branch, California, of the Canada Life Assurance Co. has been appointed agency assistant and transferred to head office at Toronto. R. W. York becomes district manager at Oakland.

Mr. Bowen joined the Canada Life in Los Angeles in 1932. He was appointed district manager at Pomona in May, 1934, and at Oakland in 1936.

Mr. York has been associated with the Canada Life since January, 1940. In his first year he earned membership in the company's junior production club and in the year just completed won membership in the Quarter Million Club.

THE DOMINION LIFE ASSURANCE COMPANY
PROTECTION
Life Insurance provides immediate cash for the money problems created by death — cheques every month to replace interrupted family income — finances to solve a widow's pressing problems.
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

ALL FOR EACH . . .
. . . EACH FOR ALL

Working together for mutual protection, plus faithful adherence to sound insurance practice, is the basis of The Portage Mutual's success and solidarity. In present times The Portage Mutual feels more keenly its responsibilities, and seeks to emulate the fine examples of fortitude and co-operation displayed by Canada's armed forces.

FIRE and WINDSTORM
The PORTAGE LA PRAIRIE MUTUAL INSURANCE CO.
PORTAGE LA PRAIRIE, MAN.
WINNIPEG, REGINA, EDMONTON

PRUDENT - DEPENDABLE - PROGRESSIVE

Paid to Beneficiaries of Policyholders during 1941 (Mortality)	$48,093.23
Paid to Living Policyholders during 1941 (including dividends)	218,648.66
Total paid to Policyholders and Beneficiaries (including dividends)	$266,741.89
PAID ON POLICIES AND BONDS SINCE ORGANIZATION (including Dividends to Policyholders) over	$4,750,000
Increase in Business in Force for 1941 over 1940—11.18% or	$1,725,019
Increase in Business in Force for the last two years 1940 and 1941	2,301,113
Business in Force December 31, 1941	11,576,903

Edmonton, Alberta, October 30, 1941.
Re: Policy 21433, David G. Chattell, Dec'd.
Dear Mr. Glenwright:
I have today received personally through your Mr. Cooper of the Edmonton office, settlement in connection with the above policy and also contract in favor of my wife covering the balance of the annual payments.
Needless to say, whilst the settlement of this Policy is to my wife and myself a matter of infinite grief and regret—as a result of the loss in action with the R.A.F. Overseas of our only beloved son—I would wish you to know how much we have appreciated the promptness, courtesy and sympathetic consideration with which your Mr. Cooper has handled this sad matter of business.
It bespeaks highly of the training and efficiency of the members of your organization and the business-like methods of your company.
Yours very truly, (signed) A. S. CHATTELL.

HEAD OFFICE: 350 BAY STREET, TORONTO, ONTARIO
J. W. GLENWRIGHT, Managing Director E. B. H. SHAVER, Secretary
A. B. McGILLIVRAY, Agency Supervisor

THE COMMERCIAL LIFE Assurance Company of Canada

WESTERN HEAD OFFICE, EDMONTON, ALBERTA
H. C. COOPER, Manager S. G. MOONEY, Branch Secretary
TORONTO CITY AGENCY: 350 BAY STREET, LESLIE J. HOPKINS, Manager
SUDBURY, ONTARIO: GARFIELD M. RIDEOUT, Manager
The Commercial Life contemplates aggressive Agency development during 1942 and will be glad to receive applications for representatives in all districts in Ontario and Alberta. Please address local Managers or Head Office Agency Supervisor.

PROTECTIVE OF CANADA
MAINTAINS STRONG POSITION IN DIFFICULT PERIOD
BALANCE SHEET
As at December 31st, 1941

ASSETS

CASH IN BANKS		$ 11,577.23
AGENTS' NET BALANCES FOR OUTSTANDING PREMIUMS		13,924.93
COMMISSIONS DUE BY "MONARCH" BRANCH		100.00
INVESTMENTS:		
Bonds and Debentures at book values	$257,078.10	
Accrued Interest	2,654.45	259,732.55
(Approximate value as allowed by Department of Insurance—$270,000.00)		
OFFICE FURNITURE—Less Depreciation		930.75
		$286,265.46

LIABILITIES

CLAIMS OUTSTANDING:		
Known or reported—Proof not filed		
Accident	$ 15,460.34	
Sickness	33,085.18	
Reserve for Claims originating in 1941 Not reported	10,000.00	$ 58,545.52
ACCRUED SALARIES		2,295.53
RESERVE FOR TAXES		10,000.00
RESERVE FOR UNEARNED PREMIUMS—100%		58,741.39
CAPITAL STOCK AND SURPLUS:		
Capital Stock Authorized—5,000 shares of $100 each	$500,000.00	
Issued and Fully Paid	50,000.00	
SURPLUS	106,683.02	156,683.02
		$286,265.46

Established 1907
THE PROTECTIVE ASSOCIATION OF CANADA
Head Office: GRANBY, QUE.
E. E. GLEASON, *President* N. R. MITCHELL, *Vice-President* J. G. FULLER, *General Manager*

What's Ahead For Bank Stocks?

War Brings Changes in Sources of Revenue and Expenses

What's ahead of the bank stocks? Because of the key position the chartered banks hold in the whole business structure of the country the question is of interest to the community at large as well as to investors.

Apart from this function as a barometer of the trend of business investment interest in the bank stocks is widespread.

10 Chartered Banks

There are 10 chartered banks in Canada, in nine of which there is investment interest. It has been estimated that the 1,440,000 shares of these nine banks are in the hands of approximately 50,000 investors. Some of these shares are held in large blocks some of them in small lots of one to 10 shares. But many of them are owned by people of small means.

The bank stocks as a group are well regarded as an investment, because among other characteristics they offer a high degree of safety of principal, a good yield, regular income, and the prospect that as business generally improves the earnings of the banks will improve, dividends may increase and the price of the shares appreciate.

Investment Securities

Accordingly bank stocks have always been looked on as investment securities. People do not buy them for a quick turn or for a speculation. They buy them usually for income. Under these circumstances, trading on the stock exchanges is generally restricted in volume and prices are fairly steady. Exceptions might be where a large block of stock is being marketed to close an estate or where some investor is in the market for a substantial lot of shares.

Under present circumstances bank shares are selling on a basis which gives a yield ranging from 4.3% to 5.5%.

Present prices and yield of the stocks of the nine banks is as follows:

	Current Price	Div. Rate	Yield %	1942 Range High	1942 Range Low
Montreal	182	8	4.3	189	182
Royal	150⅛	8	5.3	155	147½
Commerce	148	8	5.4	154	148
Nova Scotia	269	12	4.4	274	269
Toronto	228	10	4.3	255	228
Imperial	201	10	4.9	204	196½
Dominion	184	10	5.4	191	182
Nationale	146	8	5.5	146	142
Provinciale*	107	6	...	...	...

* Not listed price is unofficial bid.

What are the prospects for future earnings?

This involves a consideration of the three sources from which the banks draw their revenues: loans, investments and services.

Abnormal Factors

While general business is at record levels owing to the war, which normally would spell corresponding expansion in the earnings of the banks, there are factors in the present situation which throw the traditional situation out of gear.

One, bankers explain, is that the banks have become a war industry.

Second, war taxes bite deeply into net earnings leaving a smaller proportion as net profits for the shareholder.

One of the big elements in bank earnings is loans.

Commercial loans, the most important item from an earnings standpoint, have been generally higher than before the war. More recently the trend has been downward. One reason given for this is that the government is financing more and more of the war business. As the industry of the country is turning to production of war materials, the demand from industry for bank credit accordingly is prevented increasing.

Other Loans

Other classes of loans have also tended to shrink. With speculative operations on the stock markets at a greatly reduced level, the demand for call loans is also lower. The same thing has happened to loans to provinces and municipalities which, partly owing to better tax collections and partly to war economies, require less bank credit than formerly.

Investments Higher

Investments of the banks have meanwhile been increasing. These mean a steady revenue for the banks in bond interest. But the return is not as large as would be received from good commercial loans. However, in the aggregate it is substantial and as the volume of total assets increases, the total volume of interest from loans and investments will probably be equal to that of previous years.

Banks services meanwhile have been in greater demand by both government and private interests. One banker recently estimated that by far the larger part of the banks' activities in present circumstances are directed to the war effort. These include the work done by the banks as agents of the Foreign Exchange Control Board.

Meanwhile a factor to be considered is the steady reduction in the double liability of bank shareholders. This feature formerly provided that in event of a bank getting into difficulty, its shareholders would be responsible for their own stock and an amount equal to the paid-up par value as a protection to people holding the bank's notes. Since the Bank of Canada took over the note issue chartered banks are required by law to retire a stated proportion of their note circulation year by year. On Jan. 1 of this year the maximum allowed was 55% of the paid up capital and the double liability of the shareholders had fallen accordingly. The possibility of the provision ever being called into play is of course remote because of the close supervision, close co-operation between banks and skilled management.

The accompanying table shows that while the earnings of the banks in the 1941 fiscal year were higher than in the previous year, total net profits of all the banks showed a small decline.

If earnings from all sources this year are about the same as last year and taxes remain at the same level then the amount of profits per share should be about the same as in the previous year.

EARNINGS STATEMENTS OF CANADIAN CHARTERED BANKS

	▲Net Earnings 1941 $	▲Net Earnings 1940 $	Dom. & Prov. Taxes 1941 $	Dom. & Prov. Taxes 1940 $	Pension Fund 1941 $	Pension Fund 1940 $	W/o Premises 1941 $	W/o Premises 1940 $	§Net Profits 1941 $	§Net Profits 1940 $
Montreal	5,679,932	5,363,766	*2,242,905	1,927,824	......	......	500,000	500,000	2,937,027	2,935,942
Royal	5,428,154	5,350,844	*1,892,225	1,823,950	325,000	325,000	400,000	300,000	2,810,929	2,901,894
Commerce	4,679,139	4,531,954	*1,665,988	1,525,019	253,994	253,832	350,000	350,000	2,409,157	2,402,203
Nova Scotia	2,997,551	2,945,358	•1,061,949	1,004,027	205,000	200,000	250,000	250,000	1,480,602	1,491,331
Toronto	2,424,501	2,011,080	•902,944	566,530	150,000	150,000	250,000	250,000	1,121,557	1,044,550
Imperial	1,482,635	1,550,485	•504,533	487,883	105,912	101,584	150,000	150,000	722,190	°711,018
Dominion	1,388,327	1,328,953	•449,005	370,165	85,000	85,000	150,000	150,000	704,322	723,788
Nationale	1,122,980	1,106,152	*251,629	233,563	60,000	60,000	125,000	125,000	686,351	687,589
Provinciale	440,644	436,685	149,210	145,600	......	......	50,000	50,000	241,434	241,085
Total	25,643,863	24,625,277	9,120,388	8,084,561	1,184,906	1,175,416	2,225,000	2,125,000	13,113,569	13,139,400

	Dividends 1941 $	Dividends 1940 $	Surplus for Year 1941 $	Surplus for Year 1940 $	Surplus Forward 1941 $	Surplus Forward 1940 $	§Profits per Share 1941 $	§Profits per Share 1940 $	Divds. per Share 1941 $	Divds. per Share 1940 $
Montreal	2,880,000	2,880,000	57,027	55,942	1,153,669	1,321,642	8.16	8.15	8.00	8.00
Royal	2,800,000	2,800,000	10,929	101,894	3,209,075	3,198,146	8.03	8.29	8.00	8.00
Commerce	2,400,000	2,400,000	9,157	2,203	794,162	785,005	8.03	8.01	8.00	8.00
Nova Scotia	1,440,000	1,440,000	40,602	51,331	1,266,493	1,225,891	12.34	12.43	12.00	12.00
Toronto	600,000	600,000	521,557	444,550	2,495,801	2,974,244	18.69	17.41	10.00	10.00
Imperial	700,000	700,000	22,190	11,018	698,842	637,652	10.32	10.16	10.00	10.00
Dominion	700,000	700,000	4,322	23,788	865,511	861,189	10.06	10.34	10.00	10.00
Nationale	560,000	560,000	‡1,351	‡2,589	252,389	251,038	9.81	9.82	8.00	8.00
Provinciale	240,000	240,000	1,434	1,085	210,763	248,993	6.03	6.03	6.00	6.00
	12,320,000	12,320,000	668,569	694,400	10,946,705	11,542,800	9.10	9.11	8.56	8.56

▲ After appropriations to contingent reserves out of which provision has been made for bad and doubtful debts.
* Dominion government taxes only, (including tax on note circulation).
• Dominion taxes only. ‡ After payment of $125,000 to Province of Quebec.
§ After all deductions including amount written off premises. In some cases this is additional to depreciation taken before showing net earnings. ° After reserve for contingencies of $100,000.

SAVINGS

A Keystone in the Arch of Victory

In the grim task of winning the war, the less you spend and the more you save, the greater the help you give to your country.

Saving Money is Saving Goods

You help by saving up your needs for goods until after the war and avoiding unnecessary spending. Regular saving from your income of today is a necessity.

Everybody Can Help by Saving

A savings account at this bank will help you in controlling expenditures, in providing for special payments (such as Income Tax due March 31st), and in building a reserve for your future.

BRANCHES FROM COAST TO COAST IN CANADA

War Savings Stamps and Certificates are available at all of them.

In addition to providing complete banking service throughout Canada, transactions outside of Canada are facilitated by branches in:—

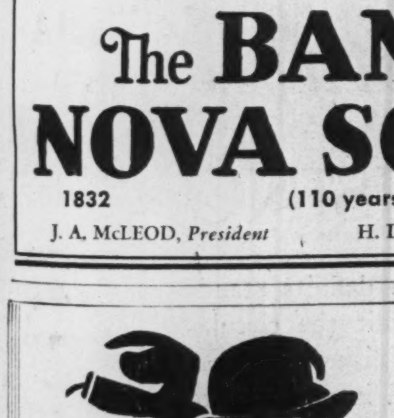
NEWFOUNDLAND - JAMAICA - CUBA - PUERTO RICO and DOMINICAN REPUBLIC
LONDON, ENGLAND - NEW YORK - BOSTON

Correspondents Elsewhere

The BANK of NOVA SCOTIA

1832 (110 years) 1942

J. A. McLEOD, President H. D. BURNS, General Manager



When in MONTREAL

MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.

The Windsor is recognized as the proper place for business and social meetings.

THE **Windsor** ON DOMINION SQUARE

J. ALDERIC RAYMOND
PRESIDENT

142

Bank of Canada Assets Higher

Holdings of Sterling Again Rise Pending Repatriation of Securities

Pending repatriation of Dominion and Canadian National Railway bonds held in the United Kingdom, holdings of sterling showed an increase of $29 millions in the statement for the week ended Mar. 18. Investments of the bank were also almost $5 millions higher at $600.3 millions. Miscellaneous assets were about $17 millions lower at $12.9 millions, leaving total assets $17 millions higher at $1,066 millions.

On the liability side, deposits of the Dominion government were about $4 millions lower at $287.1 millions, while deposits of the chartered banks were about $16 millions higher. The increase in chartered bank deposits in part reflects purchases of short term government bonds from the banks.

Liabilities	Mar. 18 1942 $	Mar. 11 1942 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	502,994,711	500,897,324
Rest fund	5,585,705	5,585,705
Depos.: Dominion	287,177,986	291,182,457
Banks	247,920,125	231,548,316
Other	9,891,222	7,707,337
Total deposits	544,989,333	530,438,110
All other liabs.	7,681,480	7,382,614
Total liabs.	1,066,251,229	1,049,303,753
Assets		
In sterling & U. S.	449,776,350	420,851,350
Subsid. coin	394,081	383,519
Advances	1,000,000	1,000,000
Investments:		
Dom. gov. short	389,438,206	384,522,444
Other Dom. gov.	210,948,426	211,110,732
Total invest.	600,386,632	595,633,176
Premises	1,774,452	1,774,040
All other assets	12,919,714	29,661,668
Total assets	1,066,251,229	1,049,303,753

U.S. Steel Buys Record Policy

Places $1 Billion Insurance With Outside Insurer

Placing by the United States Steel Corp. of a billion dollars of insurance against the hazards of fire wind, storm, civil commotion and malicious mischief has aroused much interest in insurance and business circles for two reasons:

It is the largest insurance contract ever placed in the United States.

It indicates a change in the corporation's policy from self insurance only to include outside coverage.

In addition to the new policy, the corporation still retains a $48 millions self-insurance fund, thus combining self insurance and insurance with an outside insurer.

The policy taken by the U. S. Steel Corp. appears to have been a fire policy with the other coverages added.

Bank Chat

A Unique Record

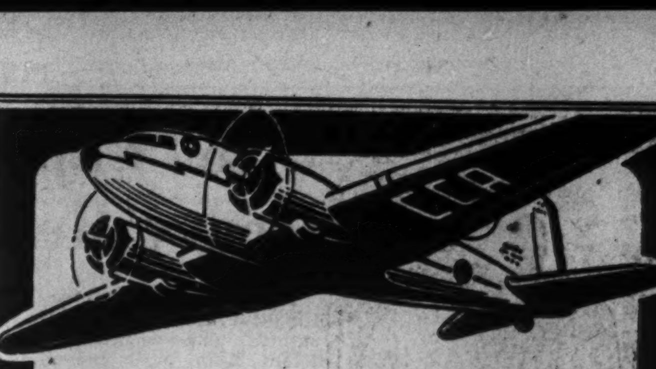
The long service of the late H. A. Flemming, secretary of the board of the Bank of Nova Scotia who died recently, appears to be a unique record in Canadian banking. From the time he entered the service of the bank, in 1874, to the time of his death, a short time ago, was 68 years. Enquiry in banking circles failed to reveal any other record equalling that of Mr. Flemming.

He was born at Glenholme, Colchester County, N.S., in 1856 and started with the bank as a junior clerk in the Halifax branch. The bank itself had been founded in 1832 or 42 years before. His early years with the institution, therefore, included the acquaintance and association with some of the actual founders of the bank.

In his 68 years service, he worked closely with men who were responsible for building up the Bank of Nova Scotia to its present position, including the late Thomas Fyshe, general manager, 1876 to 1897; the late J. B. Forgan, inspector, 1882. and later president First National Bank of Chicago; the late H. C. McLeod, general manager 1897 to 1910; the late H. A. Richardson, general manager 1910 to 1923, and J. A. McLeod now president of the bank.

Weekly Bank Clearings

	Mar. 19 1942 $	Change Year Ago %	Mar. 12 1942 $
Halifax	3,925,424	+20.8	2,647,287
Saint John	2,294,905	+7.1	2,276,611
Moncton	1,016,952	+37.9	859,617
Sherbrooke	827,990	+23.4	991,545
Quebec	5,604,160	+21.7	5,697,463
Montreal	128,813,121	+14.5	107,022,855
Ottawa	88,439,612	+130.4	168,015,873
Kingston	706,236	+33.2	711,614
Peterborough	800,947	+41.5	670,182
Toronto	137,573,433	+21.6	118,292,083
Hamilton	7,469,156	+20.4	5,798,191
Kitchener	1,359,039	+23.6	1,126,522
Brantford	1,057,240	+26.5	1,049,919
London	2,753,046	+15.3	2,706,697
Chatham	649,740	+13.7	678,712
Windsor	3,879,975	+10.3	3,706,468
Sarnia	602,946	+47.0	400,878
Sudbury	815,217	—0.7	1,122,165
St. Catharines	1,386,620	......	1,056,742
Fort William	982,363	—11.6	1,077,695
Winnipeg	35,750,300	—7.8	37,378,462
Brandon	422,551	+40.8	382,140
Regina	3,820,490	—1.1	3,883,008
Moose Jaw	764,567	+33.7	685,393
Saskatoon	1,559,078	+28.4	1,404,742
Prince Albert	666,532	+79.0	452,037
Edmonton	5,856,909	+29.4	5,271,747
Calgary	5,904,462	+15.7	6,089,346
Lethbridge	596,244	+31.5	496,326
Medicine Hat	360,226	+35.2	312,249
N. W'minster	779,390	—0.9	835,459
Vancouver	20,403,428	+21.5	17,262,401
Victoria	1,820,241	+1.7	1,697,032



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CANADIAN COLONIAL Airways

MONTREAL, P.Q., CANADA

ANNUAL STATEMENT

As at December 31, 1941

LIABILITIES

TOTAL LIABILITY TO THE PUBLIC:	
Being Terminating Certificates (Net Liability in accordance with maturity requirements)	$2,866,759.28
LIABILITIES TO SHAREHOLDERS:	
Capital, Undivided Surplus and Reserves	654,000.49
	$3,520,759.77

RESOURCES

Cash on deposit in Chartered Banks	$ 302,414.68
Government Bonds and Other Securities being legal investments of the Association with Accrued Interest and Declared Dividends	2,565,255.95
Loans on Terminating Certificates	59,328.04
First Mortgage Loans	593,758.10
Real Estate	1.00
Furniture and Fixtures	1.00
Agency	1.00
Total Assets	$3,520,759.77
To meet Certificate Liability of	2,866,759.28
Leaving Excess of Assets over Liabilities	$ 654,000.49

As at December 31, 1941, the Association had on deposit with Governmentally approved Custodians $3,187,345.14 of Approved Securities.

The Western Savings & Loan Association

HEAD OFFICE: WINNIPEG, MAN.

Branches

REGINA SASKATOON CALGARY EDMONTON

Company Reports

Canadian Industries

Extensive adjustments in operations and policies to meet the wartime demands, together with higher material prices, advances in labor costs and increases in taxation, offset the effect of the considerably higher sales volume for Canadian Industries Ltd. in 1941, according to G. W. Huggett, president and managing director. Net profit accordingly is slightly below those of 1940 and equivalent to $7.22 a share on the combined A and B common against $7.28 a share for 1940 and $8.52 a share for 1939.

Investment income, up 29%, provides a total of 16% of net earnings as against a comparable figure of 13% in 1940. Major share of this income is dividends on General Motors Corp. stock at the 1941 rate of $3.75 a share. Dunlop Tire & Rubber Goods Co. maintained its previous rate. The company's income from Defense Industries Ltd. is derived partly from fees received for construction and operation of various government-owned plants under its management and partly from operations for which capital has been provided by Canadian Industries. After setting aside all reserves for income and excess profits taxes, Defense Industries declared dividends of $312,000 in 1941, of which $43,000 was for 1940.

Fixed assets at $39.1 millions are higher by $2.6 millions.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. income†	9,038,855	8,071,412
Add: Invest. income	1,081,004	871,379
Gain on securs.	*540	16,384
Net income	10,119,319	8,959,175
Less: Conting. prov.	750,000	......
Income & E. P. taxes	3,985,900	3,563,012
Net profit	5,383,419	5,396,163
Less: Pref. divds.	325,500	325,500
Common divds.	4,375,881	4,878,615
Surplus for year	682,038	192,048
Add: Prev. surplus	4,395,763	4,348,231
Less: Adjustments	......	144,516
Earned surplus fwd.	5,077,801	4,395,763

*Loss.
†After deducting inventory reserve and the following:

	1941	1940
Depreciation	2,077,988	1,815,555
Executive remun.	235,065	580,645
Directors' fees	20,000	20,000
Legal expenses	3,873	5,489
Earned per Share:		
Classes A & B	$7.22	$7.28
Paid	6.25	7.00
Shares o/s.:		
Preferred, $100 par	46,500	46,500
Class A, n.p.v.	615,974	615,974
Class B, n.p.v.	84,167	80,971
Working Capital	$	$
Current assets	20,658,702	20,047,990
Current liabilities	5,411,255	5,992,342
Working capital	15,247,447	14,055,648

Hardware Mutuals

Highlights of the combined reports of the Federated Hardware Mutual fire insurance companies for 1941 were:

Increases in assets.
Expansion in reserves.
Gains in policyholders' surplus.

The two companies in the group are the Hardware Dealers Mutual Fire Insurance Co. of Stevens Point, Wisconsin, and the Minnesota Implement Mutual Fire Insurance Co., of Owatonna, Minn. The Canadian head office is at Toronto under the management of F. B. Dalgleish.

The combined reports show total assets amounting to $16.8 millions, an increase of $953,970, while surplus gained $265,043 to $5.4 millions.

Total savings of $222,670 were returned to Canadian policyholders in 1941, it is stated, and the year's operations in Canada resulted in a loss ratio on an incurred basis of 21.7% and on a paid basis of 23.6%.

Important items in the balance sheets of the two companies in the group are given in the following table.

Hardware Dealers' Mutual Fire Insurance Co.

	1941 $	1940 $
Total assets	9,196,477	8,704,917
Bonds	7,041,994	6,705,724
Prems. being coll.	343,184	406,833
Cash	1,738,858	1,525,565
Unearned prem. res.	4,566,678	4,262,964
Div. res.	300,000	300,000
P'holders' surplus	3,520,686	3,327,109

Minnesota Implement Mutual Fire Insurance Co.

	1941 $	1940 $
Total assets	7,637,311	7,174,900
Bonds	5,623,191	5,422,503
Prems. being coll.	363,089	426,640
Cash	1,149,461	788,348
Real estate	432,008	468,083
Unearned prem. res.	4,805,842	4,437,036
Div. reserve	200,500	159,162
P'holders' surplus	1,893,673	1,822,206

Canada Cycle & Motor

Demand for bicycles enabled Canada Cycle & Motor Co., subsidiary of Russell Industries Ltd., to increase its domestic business last year. Difficulties in obtaining raw materials and supplies for civilian production became very serious during the last quarter of the year and now continue in a more marked degree, states G. S. Braden, president.

Total production of the company's plant, including both civilian and war work, reached a new all high figure.

Outlook for the current year is said to be somewhat obscure as far as civilian output is concerned. A steady demand exists for bicycles, accessories and parts but production and supply depends on available materials. Manufacture of skates and "Joycycles" has been discontinued for the duration on government order and a reduced production of bicycles is anticipated.

Balance sheet features a rise in cash from $72,000 to $494,000. Investments of $456,000 have a market value of $517,000 against $523,000 and $530,000 respectively a year earlier. Inventories are reduced by $250,000 to just under $1 million.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	790,197	692,623
Less: Tax provision	409,991	302,143
Life insurance (net)	2,358	328
Contingent res.	44,006	15,748
Prem. pref. shs. red.	527	1,506
Net profit	333,315	372,898
Less: Pref. dividends	47,494	48,269
Common divds.	140,000	140,000
Surplus for year	145,821	184,629
Add: Previous surplus	994,018	809,389
Earned surplus fwd.	1,139,840	994,018
Earned per Share:		
Preference	$35.30	$39.08
Paid	5.00	5.00
Common	2.86	3.25
Paid	1.40	1.40
Shares o/s.:		
Preference, $100 par	9,442	9,541
Common, n.p.v.	100,000	100,000
Working Capital	$	$
Current assets	2,645,426	2,539,626
Current liabilities	754,083	748,828
Working capital	1,891,343	1,790,798

Sangamo Co.

All operations of the Sangamo Co. are expected to be concentrated under one roof at Leaside by May, G. W. Lawrence, president, states in the annual report. This, he adds, will increase efficiency and eliminate many difficulties in managing two separate plants. Meantime every effort is being made to sell the George St. property. The additional expenditure on the Leaside plant was financed by sale of $150,000 3% to 4½% first mortgage 10-year serial bonds.

Common dividends in 1941 were $1 per share compared with $2 in 1940. Increased capital expenditure for expansion to handle war contracts and the financing of heavier inventories required by increased volume of business and expanding war work made it inadvisable to increase the amount of dividends paid. Balance sheet as at Dec. 31, 1941, shows inventories at $783,227 against $605,541 a year ago.

Due to the present unsettled conditions directors deemed it advisable to increase the contingency fund by $20,000 to $60,000, and to hold this fund in reserve to be used if and when conditions warrant.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Gross oper. profit	526,062	499,135
Less: Sals., comms., etc.	216,100	203,121
Net earnings	309,962	296,014
Less: Sundry deduct.	17,579	1,866
Inventory reserve	4,328	25,272
Taxes	125,000	145,000
Conting. reserve	20,000	......
Net profit	143,055	127,608
Less: Com. divds.	45,303	90,606
Surplus on year	97,752	37,002
Add: Prev. surplus	498,988	461,986
Surplus forward	596,741	498,988
Earned per Share	$3.15	$2.82
Paid	1.00	2.00

Working Capital

	1941 $	1940 $
Current assets	1,088,972	861,888
Current liabilities	367,846	275,613
Working capital	721,126	586,275

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If every one of Canada's new army of wage-earners saves more, the country's effort toward winning the war will be greatly helped.

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U. K. Paper Trade Feels Heavy Restrictions

The paper trade in the United Kingdom has carried on since war's outbreak under conditions very different from those prevailing in Canada.

It has seen a steady story of increasingly severe restrictions and just recently there has been evidence that further drastic measures will have to be taken to reduce the circulation of daily newspapers.

It is now suggested that people will have to be prepared to share their papers with their neighbors.

Moreover, it is not expected that control of the paper industry will be removed with the coming of peace. It is expected that the greatest skill will be required to nurse it through a period of convalescence to a restoration of health. Trade sources in Britain see benefit in the rehabilitation period to be derived from the hardships of the recent tariffs in that inflation will have been substantially avoided and adjustment to more or less normal business relationship will be easier.

During 1941 the grip of official control tightened steadily and surely upon the paper trade. This was due to the raw material position and demands for labor in other fields. In both respects conditions became worse as the year advanced.

Nine Control Orders

In 1941 nine control orders were issued in the United Kingdom, most of which imposed further restrictions on the use of paper. In addition to this there have been various directions and instructions to mills and merchants. Only one of these orders provided for certain increases in maximum prices for a few classes of paper, although a complete new schedule had been expected at the end of 1940.

In the last half of the year paper merchants were required to ration their customers more severely with existing orders adapted to the new conditions for importation of paper by the paper controller and to a concentration of the papermaking industry. Waste paper was scarce and regulations were imposed requiring considerable reduction in the amount of waste which mills would be allowed to acquire. Toward the end of the year a definite distinction was drawn between permission to acquire waste paper and permission to use it after it had been acquired.

Quotas Cut

Quotas for periodicals were reduced. Throughout the year the industry had other difficulties aside from its control orders. There was the problem of coal supplies and labor added to those of raw materials. Office work was increased by the requirements for the filling up of forms.

The conclusion of the trade is that there is practically no immediate hope for an end to the difficulties which the trade faces. Rather, it is apparently expected that increasingly strict restrictions will be necessary, at least until the possibility of securing supplies are better than they are at present.

Company Reports

Consolidated Paper

Consolidated Paper Corp. reports an increase of about $200,000 in total income in 1941 to $8.7 millions. Heavier costs and taxes practically offset this gain and net profit is again equivalent to 34 cents a share, same as in 1940.

The year's income includes $1.2 million received as exchange premium. A profit of $809,137 was realized on bonds redeemed last year. Sinking fund payment of $2.1 millions principal amount of bonds and debenture stock was made Mar. 1, 1941, leaving $49.3 millions outstanding. Another payment of $1.4 million was due Mar. 1, 1942. To meet this the company had sufficient of its own bonds and debenture stock held and ready to be turned over to the trustee.

At the end of the year the Hearst companies owed Consolidated Paper $1.5 million, of which $1.3 million was represented by notes under discount and $206,318 is included in accounts and bills receivable. This indebtedness, in the opinion of counsel, is secured, along with indebtedness to other paper suppliers and others, by various Hearst assets which have been pledged to a trustee in New York. No estimate of the value of this security can be given at this time.

Last year Consolidated Paper paid $7 millions to employees in wages and salaries, $1 million more than in 1940. The company had an average of 4,630 employees during 1941, compared with 4,187 in the previous year.

During the past year the company spent $1.9 millions on property maintenance and $2 millions for additions and modernization. Fixed assets amounting to $677,341 were charged to depreciation reserve as being no longer of value for production purposes.

At Dec. 31, 1941, the company's shares were held by 18,655 shareholders, of whom 79.8% resided in Canada and 14.1% in Great Britain, with 4.7% in the United States and 1.4% in other countries. There were 18,709 shareholders at the end of 1940. Of the shareholders resident in Canada, 6,788 resided in Quebec province or about 36% of the total number. Average shareholding is 137 shares.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Oper. prof. & misc. rev.*	7,455,635	7,058,704
Add: Exchange profit	■1,203,621	1,420,481
Invest. income	80,554	79,155
Total income	8,739,810	8,558,340
Less: Bk. & other int.	......	37,013
Deb. int. of subsid.	......	2,644
Int. on debt	2,658,948	2,769,763
Depreciation	4,560,232	4,480,654
Inc. & E. P. taxes	640,000	407,700
Loss, sale of secur.	410	†13,955
Net profit	880,220	874,520
Add: Prev. surplus	985,650	111,130
Prof. bonds red.	809,137	......
Earned surplus fwd.	2,675,008	985,650
*After deducting:		
Directors' fees	1,620	1,540
Executive sal.	178,200	177,700
Legal costs	20,074	16,702

■After deducting $221,653, net, pertaining to interest on bonds and debenture stock.
†Profit.

	1941	1940
Earned per Share:		
Common	$0.34	$0.34
No dividends paid.		
Shares o/s.	2,560,185	2,549,942

Working Capital

	$	$
Current assets	19,198,774	16,558,019
Current liabilities	5,142,336	4,545,988
Working capital	14,056,438	12,012,031

Balance Sheet Changes

	$	$
Cash	4,130,575	4,202,492
Receivables	4,859,788	3,202,550
Inventories	9,316,995	8,256,802
Own bonds hold	1,373,765	1,297,743
Fixed assets*	42,308,303	45,070,378
*After deprec.	33,865,509	29,829,358
Funded debt	49,262,458	51,406,900

Investment Bond

Increased net income from investments held enabled Investment Bond & Share Corp. to reduce its annual deficit from $35,322 in 1940 to $24,620 in 1941. Valuation of investments held at Dec. 31, 1941, was $1.1 million, including cash and accounts receivable, and cost of investments was $2.2 millions. Investments had a value of $1.3 million a year ago. On the outstanding debentures, assets had a value equivalent to $52.71 per $100 principal amount. This compares with $61.18 per $100 at the end of 1940. An additional $37,000 of debentures was cancelled during the year, reducing outstanding amount to $1.7 million.

Changes made in investment holdings last year, after crediting discount on $37,000 of the company's own debentures redeemed, resulted in a capital profit of $23,277. There was written off during the year $91,007 as the cost of securities of companies now liquidated. Net result of these changes was to increase net loss on sales of securities to $1.6 million from $1.5 million a year ago.

Income and Deficit Account
Years Ended Dec. 31

	1941 $	1940 $
Net revenue	91,064	84,499
Less: General exp.	9,855	9,330
Loan interest	6,584	6,090
Debenture interest	88,166	89,329
Foreign exchange	10,129	9,956
Taxes	950	5,116
Loss for year	24,620	35,322
Add: Prev. deficit	120,534	85,212
Prior year taxes	2,656	......
Deficit forward	147,810	120,534

Laprairie Co.

Owing to existing restrictions the business from residential and other private construction was reduced in volume, but this was offset by the increased activity in industrial construction, states C. G. Greenshields, president in the 1941 report of Laprairie Co.

During the year the company acquired the properties and assets of Provincial Brick Co., which had hitherto been a wholly owned subsidiary, and the charter of the latter company has been surrendered.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	79,105	63,157
Less: Bond interest	20,310	20,310
Depreciation	53,681	42,847
Taxes	1,199	......
Net profit	3,914	nil
Surplus forward	3,914	nil

Working Capital

	1941 $	1940 $
Current assets	329,632	241,642
Current liabilities	61,434	40,594
Working capital	268,198	201,048

Cooksville Co.

Earnings position of the Cooksville Co. improved during 1941 with construction industry in the territory served by the company being active during the year.

While full dividend requirements on the 5,000 shares of 5% first preferred stock were more than earned no disbursement was made. Balance sheet as at Dec. 31, 1941, shows cash up some $152,000 at $197,122 while accounts payable are down to $41,406 from $121,534.

Income and Surplus Account
Years Ended Dec. 31

	1941 $	1940 $
Operating profit	224,526	195,624
Less: Exec. salaries	10,570	8,000
Dirs. fees	1,336	1,250
Net operating profit	212,619	186,374
Less: Bond interest	30,000	30,000
Depreciation	110,038	104,223
Taxes	29,590	18,319
Net profit	42,991	33,832
Add: Prev. surplus	155,623	121,791
Surplus forward	198,614	155,623
Earnings per Share:		
1st preferred	$8.59	$6.77
2nd preferred	4.49	2.21
Common	*0.02	*0.13
No dividends paid.	*Deficit.	

Working Capital

	$	$
Current assets	635,299	595,334
Current liabilities	78,865	147,353
Working capital	556,434	447,981

Abitibi Net Doubles '41

Higher Newsprint and Pulp Shipments Indicated For March

Abitibi Power & Paper Co. reports net earnings of $803,988 in February this year compared with $517,915 in the same month of 1941. This is before depreciation, bond interest of $275,361, and income and excess profits taxes. The February earnings include $186,853 received as premium on U. S. exchange.

For the first two months of this year net earnings are approximately double those of the corresponding months of last year. Indications are that shipments of newsprint and bleached sulphite in March will be above the corresponding month of last year.

Monthly Earnings

	1942 $	1941 $
January	1,023,703	476,993
February	803,988	517,915
2 months	1,827,691	994,908

Newsprint Shipments

	1942 Tons	1941 Tons
January	49,100	26,141
February	38,265	28,421
March	*41,200	38,196
3 months	128,565	92,758

* Estimated.

Bleached Sulphite Shipments

	1942 Tons	1941 Tons
January	8,776	5,454
February	8,400	6,401
March	*8,400	6,537
3 months	25,576	18,392

* Estimated.

Bathurst Sales Are Diversified

R. L. Weldon Feels Supply Situation Reflects Over-demand

Output of kraft products and boxboards of Bathurst Power and Paper Co. is sold principally in the domestic market and to the United Kingdom and to Australasia, R. L. Weldon, president, states in his annual report. Unbleached sulphite and newsprint are sold in the United States with some sales to the domestic market and to the United Kingdom.

Last year prices for all products with the exception of newsprint remained throughout the year at the levels established in July, 1940. Newsprint price remained at Jan. 1, 1938, levels.

All production units operated full time or more with total production substantially in excess of 1940 as is shown by the following breakdown:

Production in Tons

	1941 Tons	% of Total	1940 Tons	% of Total
Kraft prod.	47,357	44.68	39,015	40.45
Unbl. sulphite	20,932	19.75	20,464	21.22
Boxboards	18,942	17.87	18,222	18.89
Newspr't., misc.	18,762	17.70	18,745	19.44
	105,993	100.00	96,446	100.00

Manufacturing costs, it is stated, increased appreciably in 1941 from the previous year and, particularly for wood, will increase further for 1942.

Mr. Weldon points out that since early 1940 North America has been the source of supply for pulp and paper products required by the United Nations. These products are used more freely in the United States and Canada than by other countries. This fact, coupled with the increase in national income has increased ordinary consumption of pulp and paper products in both countries substantially. These products also enter into production, directly or indirectly, of all munitions of war. The United Kingdom formerly drew almost entirely on the Scandinavian countries and Finland for supplies but is now dependent upon North America. Even although reduced to the barest essentials, this total is still substantial.

All this, concludes Mr. Weldon, has served to create the appearance of a shortage which should rather be recognized as a temporary over-demand.

While this over-demand appears to be taxing the productive capacity of the various units in the industry, there still is in North America ample capacity for the various kinds of pulp and paper products to meet all essential necessities required for war and for civilian life.

Bathurst Power & Paper has declared an extra dividend of 25 cents a share along with the regular 25 cent quarterly on its class A stock, payable June 1, 1942, to shareholders of record May 15. R. L. Weldon, president, told shareholders at the recent annual meeting that operations for the first two months of 1942 had shown production, sales volume and profits greater than in the first two months of 1941. He cautioned, however, that cost increases have become more noticeable.

Consolidated Paper Corp. reports that during February 169 shares of capital stock were issued in payment of interest. This brings the number of outstanding shares to 2,560,466.

R. E. Stavert, vice-president of Consolidated Mining and Smelting Co. of Canada, has been elected a director of West Kootenay Power & Light Co., filling in the vacancy created by the death of Sir Herbert Holt.

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Rates for Rooms as Follows:—

Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
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Double room with tub and shower combination, $5.50.
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RATES *Single* $2.50 *to* $3.50 NO HIGHER

Purchases 10 Square Miles Of Island Timber Land

From Our Own Correspondent

VANCOUVER. — Pacific Mills Ltd., Canadian subsidiary of Crown Zellerbach Corp., with mills at Ocean Falls and Vancouver, has augmented its pulpwood holdings with the purchase of about 10 square miles of standing timber on Vancouver Island from the Cargill grain interests.

An initial payment of $400,000 has been made, and it is understood that the total price involved is about $1 million.

The timber is located on Vancouver Island near Bonanza Lake and Ida Lake and not far from the Nimpkish Lake timber purchased several months ago for some $12 millions by the Puget Sound Pulp & Timber Co. in the biggest deal of its kind in British Columbia's history.

Most of the timber is hemlock that will fit very well into the requirements of Pacific Mills, now engaged in a varied production programme of newsprint, kraft and sulphite pulp for which there is an almost inexhaustible market.

Expansion Under Way

This is one more development in the west coast expansion of the pulp and paper industry now under way. Powell River Co. is spending about $1 million on a new sulphite plant; B. C. Pulp & Paper Co. is spending about $800,000 on improvements at its two mills at Port Alice and Woodfibre; Westminster Paper Mills recently completed a $200,000 extension; Sidney Roofing Co. enlarged its plant at a cost of $150,000, and Sorg Pulp Co., which took over Port Mellon Operating Co.'s holdings on Howe Sound, is currently engaged in a $1 million programme to double production.

One of the problems now being dealt with by pulp mills is replacement of Japanese labor. Pacific Mills and B. C. Pulp & Paper are the principal companies involved, as some of the others have employed whites exclusively.

However, about 800 Japanese were employed until a few days ago and now they have been almost entirely removed to interior points or to concentration camps in the lower mainland area. To find suitable labor among white men available has been difficult, but mill operators expect to surmount the problem before long.

Pacific Mills is now building new living quarters for the white men and their families costing some $400,000.

Newsprint Consumption In U. S. Shows Decline

Consumption of newsprint in the United States by all publishers has shown a decline of 1.5% in February this year from the corresponding month a year ago. This was the first monthly decline shown since March, 1939. For the first two months of this year the decline is 0.2%.

Newspaper advertising lineage in the first two months of 1942 was down 5.3% from the first two months of last year. Magazine advertising showed a drop of 1.5% in the same period. The February decline for advertising lineage was 6.4% compared with 4.1% in January.

Canada supplied 72% of the total U. S. supply of newsprint in January and February this year compared with 66% in the same period of last year. Shipments from Newfoundland were unchanged at 5% of the total while U. S. mills supplied 23% against 29% a year ago.

Some of the important comparative statistics supplied by the Newsprint Association of Canada are summarized below:

U. S. Newsprint Consumption

	1942 Tons	1941 Tons
January	309,351	306,468
February	288,211	292,549
Total, 2 months	597,562	599,017

STOCKS OF NEWSPRINT
All U. S. Publishers

End of:	1942 Tons	1941 Tons
January	568,242	446,534
February	598,222	435,706
Canadian Manufacturers		
January	143,477	170,275
February	156,957	176,137
All N. A. Manufacturers		
January	229,837	262,689
February	255,671	274,876
Apparent Total N. A. Stocks		
January	798,079	709,223
February	853,893	710,582

Sources U. S. Supply
January and February

	1942 Tons	1941 Tons
Canada	485,401	377,762
Newfoundland	33,533	27,257
U. S. mills	155,342	162,807

Shortage of Paper Hits Australia

Australia faces a paper shortage, according to despatches from Sydney. Newspapers, which depend chiefly on Canada for their supply of newsprint, have been reduced in size and face further reductions. This has brought with it an enforced rationing of advertising space.

Kraft and other types of paper for wrapping has become so scarce that customers now must carry home all but perishable goods without wrapping.

U.K. Pulp Use Cut to 24%

From Our Own Correspondent

MONTREAL. — With the United Kingdom's wood pulp requirements cut to 24% of the prewar level, Canada and Newfoundland are now supplying 65% of the total, the rest coming from the United States, according to a survey prepared by the Canadian Pulp and Paper Association and the Newsprint Association of Canada.

Before the war the United Kingdom secured the bulk of its wood pulp supplies from nearby Scandinavian countries. These imports amounted to about 1.1 million tons a year.

Immediately war was declared the Ministry of Supply of the British government made effective a practical plan that had been developed in advance to control instantly the consumption of pulp and paper in the United Kingdom. The effect of this has been to reduce consumption of wood pulp, which is now but 24% of prewar consumption.

The United Kingdom is now solely dependent on the North American continent for wood pulp supplies; 35% from the United States and the balance from Canada and Newfoundland. It is calculated that if the difference in relative productive capacity of wood pulp is taken into account, Canada and Newfoundland together are supplying about four tons to every ton from the United States.

Virtually every Canadian company holds British contracts. In addition to contract tonnages, Canada is called upon from time to time to supply urgent unexpected needs arising from emergencies, all of which have been met.

Further to this major supply of wood pulp, Canada and Newfoundland also provide all newsprint, carton-board, gummed kraft paper, and contribute substantially to the supply of building boards and kraft liner board.

It's so restful at the Roosevelt

Whether you come to New York for business, sightseeing, shopping or the theatres, Hotel Roosevelt is your ideal headquarters . . . Mid-town convenience for everything you wish to see and do—plus attractive rooms, excellent meals, restful service. Rooms with bath from $4.50.

Dance music nightly except Sundays
Guy Lombardo
and his
Royal Canadians
in the
ROOSEVELT GRILL

Charles H. Sendey
continues to be your Canadian host.

HOTEL ROOSEVELT
MADISON AVE. AT 45th ST., NEW YORK
BERNAM G. HINES, *Managing Director*
Direct Entrance to Grand Central Terminal

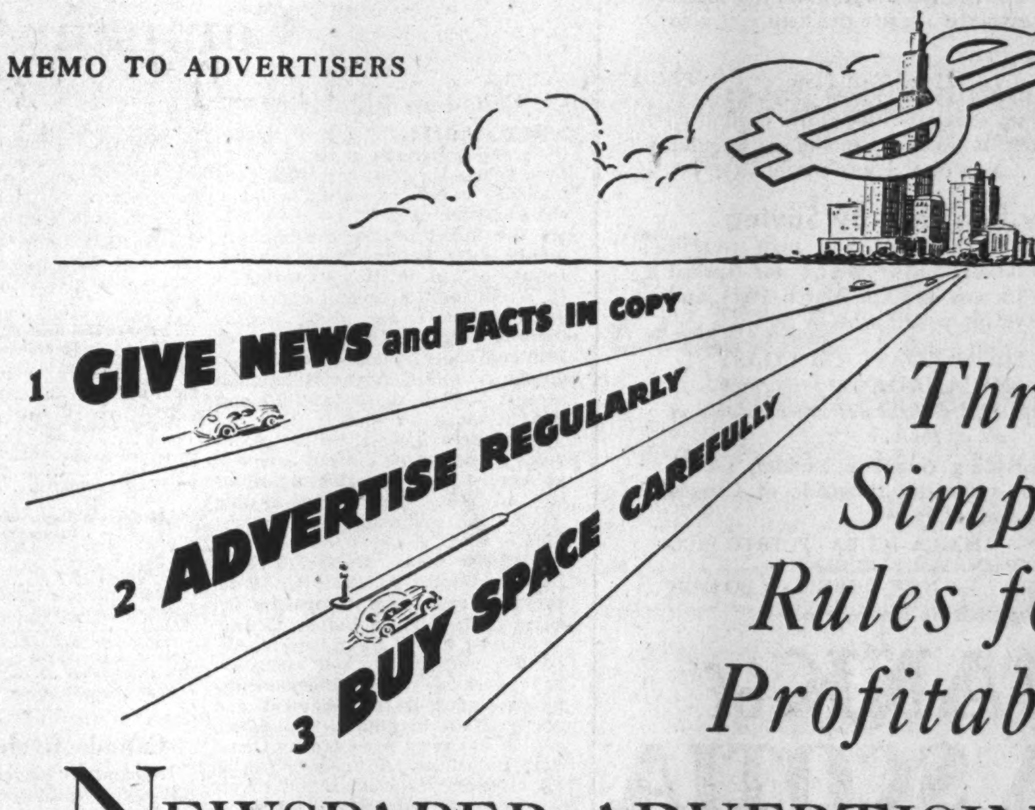
Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

• MEMO TO ADVERTISERS



Three Simple Rules for Profitable

NEWSPAPER ADVERTISING

1. Make your advertising copy easy to read, friendly and informative. People read newspapers for the news. Give them facts and news about your merchandise and services.

2. Advertise regularly. Do what successful salesmen do—call on customers and prospects consistently.

*3. Protect your advertising investment by insisting on audited circulation reports that tell you just what circulation you get for your money. Guesswork is wasteful.**

*In order that you may know just what you get for your money when you advertise in this newspaper, we are members of the Audit Bureau of Circulations. This is a national, cooperative association of more than 2000 publishers, advertisers and advertising agencies. Organized in 1914, the purpose of the Bureau is to establish and maintain definite standards of circulation, audit the circulation records of the publisher members and report this verified information to advertisers.

Annually, one of the Bureau's large staff of trained auditors makes a thorough audit of our circulation. The verified facts and figures thus obtained are issued in an official A.B.C. report.

Our A.B.C. report tells how much circulation we have, where the circulation goes, how it was obtained, how much people pay for it and many other facts that you should know when you buy newspaper advertising. Thus when you advertise in this newspaper your investment is in known and verified values.

THE FINANCIAL POST

ABC — *This newspaper is a member of the Audit Bureau of Circulations. Ask for a copy of our latest A. B. C. report giving audited facts and figures about our circulation.*

A. B. C. = AUDIT BUREAU OF CIRCULATIONS = FACTS AS A MEASURE OF ADVERTISING VALUE

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select list of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

City of Brandon

What progress is being made on arranging a plan for dealing with City of Brandon debentures.

There is at the present time no definite new development to report in connection with City of Brandon debentures.

The Municipal and Public Utilities Board of Manitoba has been drafting a plan for the past six months but so far there is no indication as to when the plan will be finally ready.

When the plan is finally ready the Board will submit it to the Bondholders Committee, and further discussions will then take place.

Colonial Steamships

What is the dividend outlook for Colonial Steamships. A brief summary of the capital set-up would also be appreciated.

Colonial Steamships Ltd. has 30,000 common shares outstanding and ahead of this is an issue of 6% general mortgage bonds of which $1.1 million was outstanding at the end of 1940. Reports are current that the company may pay off this bond issue this year, perhaps out of its own resources. No dividends have yet been paid on the common stock, although there are reports of some action possible this year.

In 1940, the company earned $1.44 a share on its common as compared with $6.91 in 1939. It is said that better operating results were shown in 1941 and that, in spite of higher taxes and other charges, the net profits may compare with the best in the company's history. The company operates steamships on the Great Lakes, doing a general package freight business for the most part. Its shares are not listed and only a relatively small amount of stock is available for the public as 18,000 shares are held by Sarnia Steamships and substantial blocks by directors and officials.

Anglo-Canadian Telephone

Are you in a position to give me any information on the Anglo-Canadian Telephone shares? Anything you have will be appreciated.

Anglo - Canadian Telephone, through Telephone Securities Ltd., has a substantial interest in the Philippine Long Distance Telephone Co. Occupation of Manila by the Japanese means this investment is temporarily lost. On the other hand, Anglo-Canadian's principal source of revenue continues to be the B. C. Telephone Co. Also it has minor interests in other enterprises. Revenue from investments other than the Philippine Long Distance Telephone Co. is sufficient to ensure coverage of the company's preferred and class A dividends. At this moment, you will apreciate, it is difficult to give a comprehensive survey of the company's whole position but this should be available at the time of the publication of the annual report which is expected shortly.

Your Income Tax

Deadline for income tax returns is March 31, a month earlier than usual. In this weekly column, The Financial Post answers the problems you may have in computing your tax.

Rented House Furnished

I have a residence fully furnished which was rented for the full year 1941 at $50 a month. The house is valued at $4,000 and the furniture at $3,000. Both house and contents are 20 years old. Taxes are $100, insurance $15, repairs $30, interest on mortgage $54. What am I allowed as regards income tax for the different items? If the whole transaction shows a loss, can the amount of the loss be used to reduce other income?

You would appear to be entitled to the following exemptions on income tax:

Depreciation on furniture, 10% of the original cost.

Depreciation on house, if frame 5% of original cost, if brick, stone or brick veneer 2½%, if reinforced concrete 2%.

You are also entitled to deduct money paid as taxes, insurance, interest and for reasonable repairs. If the whole transaction shows a loss, the amount of the loss sustained can be charged against other investment income of the taxpayer. It cannot be deducted or offset against earned income.

Tax on U. S. Investments

A widow with an income of $2,500 from investments in the United States pays income tax in that country. She resides in Canada but owns no property here. Must she pay income or national defense tax in Canada as well as in the United States?

The widow, as a resident of Canada, will be subject to income tax and national defense tax here. She would not be subject to income tax in the United States. If she is paying tax to the United States as you say, this is probably the withholding tax, in which case she may be entitled to a refund, under the new arrangement which dates back to Jan. 1, 1941. These refunds, it is understood, are to be made automatically by the company which deducted the tax at the source. The refund would be for any excess collected over 15%.

Gifts to Married Children

I have a married daughter with three children living in her own house but entirely supported by my wife and myself. We have another married daughter to whom we continue to pay the dress allowance she received when living at home. We give both daughters Christmas and birthday presents of money. What is the position as regards these payments in regard to income tax?

Unless your daughters are mentally or physically incapacitated for earning their own living you do not appear to be entitled to any exemption for money contributed to their support. In the case of the married daughter with three minor children, however, you might possibly have some claim for exemption for money paid for the support of grandchildren. Christmas and birthday gifts are part of your taxable income but not taxable in the hands of the recipients.

W. E. N. BELL
Taxation & Insurance Consultant
505 Metropolitan Bldg., Toronto — AD. 5457

SYSTEMATIC SAVING BEST

Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you. Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $67,000,000.

Dosco Starts Plate Mill

From Our Own Correspondent

MONTREAL.—Two months ahead of schedule, operations have been commenced on the renovated 110-inch plate mill of the Dominion Steel & Coal Corp. at Sydney.

Built in 1918, for wartime production purposes, the mill was closed two years later and dismantled. A contract to rehabilitate the plant was given in April, 1941, and work started in June with completion scheduled for May of this year.

Covering seven acres and expected to employ about 300 men in two shifts, the plate mill is considered one of the most modern of its kind in North America. Energy for operating it is supplied by 128 power units, the largest of which is rated at 4,000 h.p.

When the plant reaches capacity production, it will work three shifts a day instead of two, but no increase in the 300 men employed is anticipated.

The new mill will supply plate to the shipyards at Pictou, N.S., as well as to Halifax, where two Tribal destroyers are being constructed.

IMPARTIAL TREATMENT

This trust company, uninfluenced by the importunities of beneficiaries, the clamour of relatives, or the mistaken advice of friends, administers an estate so that all concerned receive impartial treatment.

Appoint Montreal Trust Company Your Executor

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

Company Reports

Russell Industries

Russell Industries Ltd., holding company for Canadian Acme Screw & Gear and Canada Cycle & Motor Co., reports less net income in 1941 than in 1940. On its common shares, 1941's net profit is equivalent to $1.03 a share against $1.23 a share for 1940. The company's chief source of income is dividends from these subsidiaries and income from its investments.

Canadian Acme Screw & Gear reported a net profit of $232,402 in 1941, after paying taxes of $560,000. Corresponding figures for 1940 were $176,713 for net profit and $230,000 for taxes. No dividends were paid by Canadian Acme in either 1940 or 1941. Canadian Acme is now a wholly owned subsidiary of Russell Industries as remaining shares outstanding were purchased last year. Russell Industries also owns all shares of West Toronto Holdings Ltd., formed some years ago to wind up the affairs of Willys-Overland Ltd., as a result of purchases last year. There is public interest in Canada Cycle & Motor through its preferred stock although all its common is owned by Russell Industries.

Both of these subsidiaries are actively engaged in war work and have had to extend plant facilities during the past year.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net profit	147,819	163,338
Less: Pref. dividends	59,705	61,748
Common divds.	67,766	65,430
Surplus for year	20,348	36,360
Add: Prev. surplus	634,955	582,274
Incr. c. s. v. insur.	......	16,321
Surplus forward	655,303	634,955
Earned per Share:		
Preference	$17.41	$18.72
Paid	7.00	7.00
Common	1.03	1.23
Paid	0.80	0.80
Shares o/s.:		
Preference, $100 par	8,490	8,734
Common, $10 par	85,100	82,660
Working Capital		
Current assets	1,039,155	1,291,992
Current liabilities	nil	nil
Working capital	1,039,155	1,291,992

Tooke Bros.

Further increase in operations of Tooke Bros. Ltd. is shown in the 1941 financial statement, which indicates operating profit of $142,570, as against $102,759 the year before. Net profit of $43,403 was equal to $4.41 a share on the preferred stock. This compares with $26,068 or $2.65 a share on the preferred stock the year before.

Moderate improvement in working capital position is revealed in the balance sheet as at the end of 1941. Accounts receivable and inventories were somewhat higher, as was also the case with the bank loans. On the other hand reduction in funded debt more than offset the increase in the loan.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	142,570	102,759
Less: Exec. salaries	30,800	25,782
Directors' fees	1,230	......
Legal fees	341	......
Add: Other income	17	17
Net earnings	110,217	76,994
Less: Interest	8,483	9,624
Depreciation	27,433	26,137
Tax provision	29,772	15,000
Bond premium	1,125	165
Net profit	43,403	26,068
Previous deficit	229,549	250,450
Deficit forward	186,146	229,550
Earned on preferred	$4.41	$2.65
Working Capital		
Current assets	924,890	825,105
Current liabilities	474,303	407,457
Working capital	450,587	417,648
Balance Sheet Changes		
Accts. receivable	522,016	449,165
Inventories	396,620	365,608
Bank loan	349,150	342,000
Funded debt	110,300	135,400

Rolland Paper

Rolland Paper Co. experienced an increase of 40% in sales during 1941. As a result gross income advanced to $683,317 as against $549,786 the year before. Due to heavier tax provision and other charges, net profits available on the common stock did not fully reflect the improvement, having amounted to $1.42 a share, as against $1.20 the year before.

Further strengthening in working capital position was reported. At the close of the year, current liabilities exceeded current assets by $1 million, a gain of $137,000 over that reported at the end of 1940. During 1941 the company sold an additional $100,000 of its long-term funded bonds and retired $75,000 of its serial bonds. Accounts receivable were substantially higher, while inventories were off slightly.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
Gross income	$683,317	$549,786
Less: Deprec.	192,116	181,227
Bond interest	93,991	85,516
Exec. salaries	45,017	46,588
Directors' fees	2,000	1,620
Tax provision	174,653	72,109
Net profit	175,540	161,724
Less: Pfd. divds.	90,000	90,000
Com. divds.	45,000	45,001
Surplus	40,540	26,723
Prev. surplus	358,963	344,630
Less: Loss on secs.	162	288
Bond discount	6,895	7,550
Loss, assets sold	7,287	......
Tax adjustment	......	4,552
Surp. forward	385,159	358,963
Earned per sh., com.	$1.42	$1.20
Working Capital		
Current assets	$1,626,821	$1,358,690
Current liabilities	619,632	487,863
Working capital	1,007,189	870,827
Balance Sheet Changes	1941	1940
Cash	$96,190	$33,760
Accts. rec.	644,463	327,780
Inventories	747,923	841,753
Bonded debt	2,125,000	2,100,000

American Cyanamid

Sales volume and net income, before taxes, of American Cyanamid Co. for 1941 reached new record levels, states W. B. Bell, president. Net profits, after taxes and all charges, are equivalent to $2.42 a share on the common compared with $2.44 a share for 1940.

Spread of war to the Far East and Australia has interfered with exports and with imports of certain materials. Effect is not expected to be of great importance in relation to the company as a whole.

About 20% of 1941's income is derived from foreign operations, chiefly in Canada. Current assets of foreign subsidiaries, chiefly in Canada, amount to $9.9 millions of which $5.4 millions is cash and short-term securities. Current liabilities of these subsidiaries were $3.1 millions at the year end. Foreign plants and facilities, at cost less reserves, were valued at $1.9 million. Consolidated earned surplus includes $3.4 millions of undistributed earned surplus of foreign subsidiaries.

The company has expanded research projects and facilities largely as a measure to aid in the war effort. Among products mentioned are new sulfonamides which are being used for military and civilian purposes. Manufacture of typhus vaccine, gas gangrene antitoxin, dried blood plasma and other biologicals and drugs has been expanded. Surgical sutures, made by Davis & Grek, Inc., a subsidiary, are in enormously increased demand. Other materials normally produced by the company and now diverted in substantially increased volume to national needs include plastics, bauxite ore, synthetic nitrogen products, catalytic agents, mineral acids, dyes, coal tar intermediates and other chemicals.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Net oper. profit	26,122,640	16,588,005
Add: Dividends, int.	1,073,307	778,699
Royalties, licenses	543,489	226,596
Other earnings	62,246	55,228
Net income	27,801,682	17,648,528
Less: Deplet. & deprec.	4,960,056	3,844,819
Res. & develop. exp.	3,113,909	2,531,782
Debt interest	503,788	457,431
Income & E. P. tax.	11,457,536	4,184,767
Conting. prov.	1,000,000	1,000,000
Net profit	6,766,293	6,629,729
Less: Dividends	5,300,428	5,732,628
Surplus for year	1,465,865	897,101
Add: Prev. surplus	16,506,822	15,767,301
Adjustments	204,000	157,580
Earned surplus fwd.	18,176,688	16,506,822
Earned per Share:		
Classes A & B	$2.42	$2.44
Paid	1.85	2.10
Shares o/s.:		
Preference, $10 par	1,106,681	854,861
Class A, $10 par	65,943	65,943
Class B, $10 par	2,552,421	2,552,421
Working Capital		
	$	$
Current assets	62,489,125	45,942,362
Current liabilities	23,408,226	12,754,508
Working capital	39,080,899	33,187,854

Investment Bond

Investment Bond & Share Corp. reports moderate improvement in its position. Gross income in 1941 at $91,063 compares with $84,499 the year before. After all charges there was a deficit on the year of $24,629, an improvement of nearly $11,000 over the year before.

The balance sheet as at Dec. 31 shows investments had a book value of $2.2 millions and a market value of $1,142,259. The year before book value of investments was $2.3 millions and a market value of $1.3 millions. Secured call loans payable were reduced from $220,000 to $200,000, while outstanding debentures at $1,739,500 compare with $1,776,500 at the close of 1940.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross income	91,063	84,499
Less: Gen. expenses	9,855	9,330
Loan interest	6,584	6,089
Foreign exchange	10,129	9,957
Tax provision	3,604	5,118
Debent. interest	88,166	89,329
Deficit for year	24,629	35,322
Add: Prev. deficit	120,534	85,212
Add. taxes	2,656	......
Deficit forward	147,810	120,534

Eastern Steel Products

Eastern Steel Products Ltd. reports sales for the year ended Nov. 30, 1941, up 35% over the previous year's sales. Each month showed an increase over the previous year and nearly the whole of the gain was directly or indirectly from war orders. Volume of domestic business held well up to 1940's record and in some lines, such as the "Jamesway" line of poultry equipment, large increases were made.

As the result of the increased volume of business, earnings are substantially higher. After providing for higher taxes and a special reserve against possible future depreciation of inventory, net profits were equivalent to $2.40 a share on the common stock compared with $1.21 a share in 1940.

For the current year, A. K. Cameron, president, states war orders on hand will keep plants running at full capacity for the first six months of 1942. Earnings from these orders are restricted by ceiling prices. On the other hand domestic sales for 1942 are likely to be substantially reduced owing to restrictions now in force covering use of steel products. These two factors will have an important bearing on 1942 results.

Balance sheet shows higher working capital. A feature is a rise in investments from $72,559 to $207,246 due to purchases of Victory Bonds and guaranteed investment certificates. Inventories are up from $582,000 to $762,000.

Consol. Income and Surplus Account
Years Ended Nov. 30

	1941	1940
	$	$
Net oper. profit*	495,207	270,625
Add: Invest. income	2,447	3,305
Less: Depreciation	77,534	75,757
Income & E. P. taxes	223,000	110,162
Inventory res.	40,000	......
Net profit	157,120	88,011
Less: Pref. dividends	18,000	18,000
Common divds.	58,000	58,000
Surplus for year	81,120	12,011
Add: Prev. surplus	288,548	276,537
Earned surplus fwd.	369,668	288,548
*After all exps. incl.: Executive & legal.	23,040	24,735
Earned per Share:		
Preferred	$8.72	$4.89
Paid	1.00	1.00
Common	2.40	1.21
Paid	1.00	1.00
Shares o/s.:		
Preferred, $20 par	18,000	18,000
Common, n.p.v.	58,000	58,000
Working Capital		
Current assets	1,679,146	1,255,745
Current liabilities	564,804	316,406
Working capital	1,114,342	939,339

Brewers & Distillers

Net profits of Brewers & Distillers of Vancouver Ltd. for 1941 show a small gain over the previous year, about 67 cents a share against 65 cents. The 1941 statements reflect the operations of British Columbia Breweries 1918 Ltd. with its individual subsidiaries in British Columbia but do not reflect operations of British Columbia Distillery Co., New Westminster, nor of Amherst Distilleries Ltd., Amherstburg. These companies were sold Nov. 1, 1941, to Distillers Corp.-Seagrams Ltd.

Negotiations for the sale started last September. In exchange for all the issued shares of the two companies, Brewers & Distillers received 12,500 shares of 5% preferred and 20,000 common shares of Distillers Corp.-Seagrams.

It is stated by H. S. Tobin, president, that the deal offered an immediate return, in excess of that otherwise hoped for after several years of effort and stabilized future operations at a level considerably above that which continued independent operations would have yielded.

Balance sheet at Dec. 31 shows inventories reduced from $1.9 million to $244,702 and total assets from $5.8 millions to $4.4 millions. Shares of Distillers Corp.-Seagrams are shown at $1.7 millions and fixed assets have been reduced from $1.3 millions to $328,862.

A dividend of 50 cents, plus an extra of 10 cents, has been declared, payable May 20 to shareholders of record April 30.

Consol. Income & Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	767,004	881,321
Less: Exec. salaries	30,300	47,867
Legal fees	5,572	4,349
Directors' fees	13,250	13,750
Depreciation	29,795	133,642
Income & E. P. taxes	310,800	306,645
Add: Seagram divds.	11,100	......
Net profit	388,387	375,068
Less: Dividends	365,390	433,303
Surplus for year	22,997	*58,235
Add: Prev. surplus	1,940,992	2,409,227
Less: Licenses, w/o	50,000	50,000
W/o invest. affil. co.	10,000	......
Loss on subsid. sale.	†850,753	......
Earned surplus fwd.	1,053,236	1,940,992
*Deficit.		
†Loss on sale of B. C. Distillery Co. and Amherst Distillers Ltd.		1,261,640
Less: Charged to cap. surplus		410,888
Bal. charged to earned surplus		850,752
Earned per Share	$0.67	$0.65
Paid	0.60	0.75
Shares o/s., n.p.v.	577,738	577,738
Working Capital		
Current assets	1,595,534	3,497,000
Current liabilities	410,435	465,396
Working capital	1,185,099	3,031,604

London & Western Trusts

Higher taxes reduced net earnings of London and Western Trusts Co. in 1941 to $2.17 a share from $2.51 in 1940. Estates, trusts and agencies being handled by the company showed advance to $40.3 millions from $38.1 millions despite the fact that 1941 saw many distributions to beneficiaries.

Rt. Hon. Arthur Meighen, president, states that taxes must, under present conditions, take a large part of income but with its satisfactory condition, directors have felt justified in declaring a dividend of $1 per share payable April 1, 1942.

Income and Surplus Account
Years ended Dec. 31

	1941	1940
	$	$
Net earnings	55,351	55,485
Less: Taxes	21,500	17,500
W/o off. premises	7,500	7,500
Net Profit	26,351	30,486
Less: Divd. payable	12,137	......
Surplus for year	14,214	30,485
Add: Previous surplus	30,485	167,007
Tfr. to invest. res.	......	167,007
Surplus forward	44,699	30,485
Earned per Share	$2.17	$2.51
Paid	1.00	...

Liabilities to Public
As at Dec. 31

	1941	1940
	$	$
Guaranteed funds	2,598,776	2,237,045
Secured by:		
Liquid assets	898,515	568,922
Mortgages, etc.	1,700,261	1,668,755
Other net assets	1,558,400	1,544,185
	4,157,176	3,781,862
Estates, etc.	40,377,974	38,142,328

Canadian Utilities

Canadian Utilities Ltd. met with improved conditions during 1941 with power sales being some $93,000 higher on the year to total almost $1.4 millions. The improvement was carried through with bond interest earned 4.30 times before depreciation and 3.39 times after this charge.

Balance sheet as at Dec. 31, 1941, shows bank loans of $64,997 incurred during the year while working capital has improved to $222,550. Canadian Utilities is controlled by Dominion Gas & Electric Co.

Income and Surplus Account
Years ended Dec. 31

	1941	1940
	$	$
Power sales	1,396,964	1,303,265
Less: Oper. expenses	746,716	717,042
Net oper. income	650,248	586,223
Add: Misc. income	4,197	5,262
Net earnings	654,445	591,485
Less: Depreciation	139,896	130,327
Int. on mun. debts.	2,200	3,197
Bond interest	128,839	130,168
Other interest	4,963	3,865
Exchg. premium	16,255	16,814
W/o bd. disc.	3,621	3,628
Loss on invests. sold	156	187
Income taxes	146,472	114,988
Net profit	212,443	188,313
Less: Pref. divds.	70,000	70,000
Com. divds.	120,939	116,288
Surplus for year	21,504	2,025
Add: Prev. surplus	41,770	42,472
Tax refund	926	......
Less: Tax adjust.	......	2,727
Surplus forward	64,200	41,770
Times Bond Interest Earned:		
Before depreciation	4.30	3.84
After depreciation	3.39	2.99
Working Capital		
	$	$
Current assets	598,388	492,077
Current liabilities	375,838	293,169
Working capital	222,550	198,908

Gurney Foundry

Gurney Foundry Co. reports a good increase in gross profits in 1941. Other income is higher and final net profit equalled $1.18 a share on the preferred against four cents for 1940. Consolidated deficit carried to the balance sheet is approximately halved.

G. B. Beatty, vice-president, reports funded debt reduced $21,700 and provision made for a $30,000 payment into sinking fund. Outstanding 5½% bonds have been reduced to $758,300 without allowing for the $30,000 held in sinking fund.

Some of the domestic products made have been restricted by the Controller of Supplies.

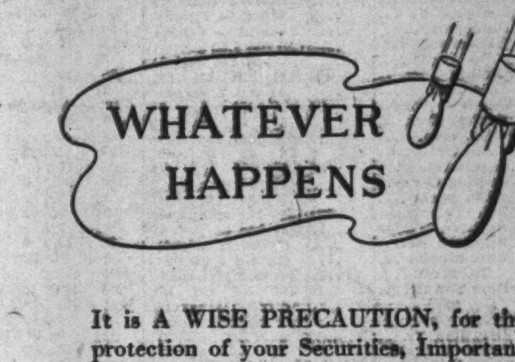
Consol. Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross profit	627,325	535,382
Less: Selling expense	196,991	182,674
Warehouse exps.	47,987	40,581
Administrative exp.	88,480	76,785
Depreciation	161,556	160,904
Bad debt prov.	11,922	26,778
Net oper. profit	120,583	47,661
Add: Other income	54,593	18,479
Less: Bank int., etc.	9,272	12,285
Bond interest	42,900	42,900
U. S. exchange	5,388	6,136
Inc. & E. P. taxes	55,000	2,631
Minority interest	......	4
Net profit	62,621	2,184
Less: Prev. deficit	153,254	155,438
Add: Surp. on bd. red.	11,722	......
Adj. workmen's com.	3,302	......
Deficit forward	75,610	153,254
Earned per share:		
Preferred	$1.18	$0.04
No dividends paid.		
Shares o/s:		
Preferred, $5 par	53,820	53,820
Common, $100 par	8,590	8,590
Working Capital		
	$	$
Current assets	791,283	691,810
Current liabilities	242,277	238,115
Working capital	549,006	453,695

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto



It is A WISE PRECAUTION, for the protection of your Securities, Important Papers and other Valuables, to deposit them with us for Safekeeping in our strong Vault—or let us hold your investments for you for Management.

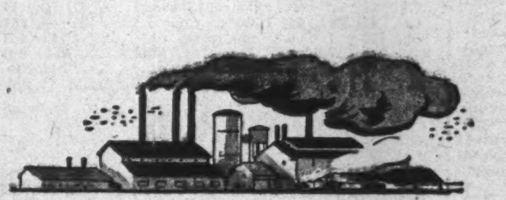
Keep your Victory Bonds in a safe place.

THE ROYAL TRUST COMPANY

J. P. LANGLEY & CO.
C. P. Roberts, F.C.A., W. F. Houston, A.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1941), $12,531,188

A straight announcement of importance to Businessmen



We are learning how to make our automobiles and radios last longer, how to conserve on fuel and food, how to extend the life of tires and overshoes. What was once a matter of pure common-sense thrift is now in addition a matter of patriotic urgency.

The need to save what we have is particularly vital in the conservation of Dictaphone dictating equipment.

On a thousand fronts of wartime business, the Dictaphone method is daily pushing through the specifications and orders essential to our all-out war effort. It is helping key men keep ahead of almost incredible volumes of essential work—doubling their ability to get things done, *fast!*

The demand for these dictating machines is such that we must ask businessmen to apply to them the same sound principles of conservation they are adopting toward scarce items of their personal use.

To that end, we offer this simple 3-point program:

1. *Make your present Dictaphone equipment last for the duration.*
2. *Make your Dictaphone serve you best by maintaining it at full efficiency. Investigate the Dictaphone Maintenance Program.*
3. *If war conditions have reduced your business activity so that your Dictaphone should be released for use in direct war effort, ask us about our Dictaphone Relocation Service.*

To extend the life of your present Dictaphone equipment and assure its maximum usefulness, we recommend the Dictaphone Maintenance Program.

For a nominal charge, an expert Dictaphone technician most of whom are under direct factory supervision will inspect your machine regularly each month, see that it is properly lubricated and make sure that its many moving parts are properly adjusted. Each monthly inspection guarantees thirty days of efficient, uninterrupted service. Emergency calls, if made necessary by accident, fire, or any other cause, are made without any extra charge.

Remember that dictating machines, like other precision instruments, require expert care and servicing to keep them operating perfectly. Because Dictaphone equipment may be giving you satisfaction even when it needs attention, you and your secretary may be handicapping yourselves without knowing it.

• For further information about the Maintenance Program or the Relocation Service, look up Dictaphone in your local telephone directory, or write or wire us direct. Dictaphone Corporation Ltd., 86 Richmond St. W., Toronto.

DICTAPHONE

THE WORD DICTAPHONE IS THE REGISTERED TRADE-MARK OF DICTAPHONE CORPORATION, MAKERS OF DICTATING MACHINES AND ACCESSORIES TO WHICH SAID TRADE-MARK IS APPLIED

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MARCH 23

[illegible]

Mining Stocks

Week Ending March 23

[illegible]

Oil Stocks

[illegible]

Vancouver Stocks

Range 1942 High	Low	Company	Sales	High	Low	Close
.30	.28	Inter'n Coal	5,050	.30	.29	.28
.22	.15	Kootenay Belle	3,000	.16	.16	.15½
.20	.20	McGillivray Creek	......	(.... bid	.20½ asked)	
.01	.01	Minto Mines	......	(.00½ bid	.01 asked)	
.02	.01½	Nicola	2,000	.01½	.01½	.01½
.09½	.08	Pacific Nickel	525	.08½	.08	.08
1.75	1.30	Pend Oreille	200	1.40	1.30	1.30
2.15	1.50	Pioneer Gold	250	1.60	1.50	1.50
.01½	.01½	Premier Border	1,000	.01½	.01½	.01½
.60	.38	Premier Gold	8,100	.42	.41	.38
.60	.30	Privateer Mines	6,700	.34	.34	.30
.02	.01½	Quatsino Copper	......	(.01½ bid	.... asked)	
.50	.37	Reeves McDonald	......	(.30 bid	.... asked)	
.21	.13	Reno Gold	3,500	.21	.21	.20
.00¾	.00½	Salmon Gold	......	(.00½ bid	.01 asked)	
.84	.70	Sheep Creek	4,950	.75	.76	.70
.71	.60	Sibak Premier	100	.65	.65	.65
*.00½	.00½	Silvercrest	......	(.... bid	.... asked)	
.06	.06	Surf Inlet	......	(.06 bid	.... asked)	
*.03	.02	Taylor Bridge	......	(.... bid	.04 asked)	
.02½	.01	Wellington	......	(.01 bid	.01½ asked)	
.04½	.02	Whitewater	3,000	.02	.02	.02
*.08	.03½	Ymir Yankee Girl	......	(.... bid	.02½ asked)	

Oil Quotations

Range 1942 High	Low	Company	Sales	High	Low	Close	Close Mar. 23
.07	.05½	Alta. Pac. Cons.	......	(.05½ bid	.... asked)		
.55	.40	Anglo Canadian	700	.41	.40	.40	.40
.03	.03	Anaconda	......	(.02½ bid	.... asked)		
.24	.19	Brit. Dominion	......	(.... bid	.23 asked)		
*.07½	.05	Brown Oil	......	(.... bid	.... asked)		
1.17	.95	Calgary & Ed.	1,000	1.00	1.03	1.00	1.01
.17	.14	Calmont	300	.15	.15	.15	.15
.23	.23	Commoil	......	(.17 bid	.19 asked)		
.28	.24	Commonwealth	300	.28	.24	.24	.24
.22	.15	Dalhousie	......	(.18 bid	.... asked)		
.16½	.12	Davies Pete	1,200	.13	.15	.12	.15
.02½	.02½	East Crest	......	(.... bid	.... asked)		
.36½	.21	Federated Petroleum	......	(.... bid	.... asked)		
.85	.70	Foothills	100	.70	.70	.70	.70
.20	.15	High Sarcee	......	(.13½ bid	.... asked)		
2.67	2.30	Home Oil	425	2.30	2.40	2.35	2.35
.01½	.01½	Madison	......	(.01 bid	.01½ asked)		
.01½	.01½	Marjon Oil	......	(.01 bid	.01½ asked)		
.04½	.03½	McD. Segur Ex.	......	(.... bid	.03½ asked)		
.04½	.03½	Mercury	1,200	.03½	.03½	.03½	.03½
.07	.06	Mill City Pete	......	(.05 bid	.... asked)		
.20	.15	Model	......	(.15 Mar. 12)			
.04	.04	National Pete	......	(.04 bid	.04½ asked)		
.03	.03	Nordon	......	(.03 bid	.... asked)		
.40	.34	Okalta	......	(.25 bid	.30 asked)		
.03	.03	Pacalta Oil	......	(.02½ bid	.... asked)		
.15	.15	Pacific Petroleums	......	(.15 bid	.... asked)		
.05½	.03½	Royals Canadian	......	(.03½ bid	.04½ asked)		
†.10½	.06	Royal Crest	......	(.... bid	.... asked)		
18.63	16.25	Royalite	18	17.50	16.25	16.25	16.25
.05	.03½	South End	......	(.03½ bid	.05 asked)		
.20	.15	Southwest Pete	......	(.15 Mar. 9)			
*.05½	.02½	Spooner	......	(.03 bid	.... asked)		
.09½	.08	Sunset Oil	......	(.06½ bid	.... asked)		
.04½	.03½	United	......	(.03 bid	.04½ asked)		
.04	.04	Vanalta	......	(.03½ bid	.... asked)		
.20	.15	Vulcan	......	(.... bid	.15 asked)		

*Quotations for 1941, †1940.

Winnipeg Stocks

(Transactions from Mar. 16 to Mar. 21)

	Sales	High for period	Low for period	Close Mar. 21
Beaver Lumber, pref.	10	103.00	103.00	103.00
Dominion Envelope, pref.	5	97.50	97.50	97.50
Federal Grain, pref.	15	35.00	35.00	35.00
Monarch Life	45	34.00	34.00	34.00
United Grain Growers	51	11.75	11.50	11.50
Western Breweries	10	1.85	1.85	1.85
Winnipeg River Tin	2,000	.01½	.01½	.01½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Grouped Inc.	..	4⅛
Beav. Lumber, c	3	5	Home Invest.	25¼	..
Can. Indemnity	150	..	Nor. C. Mtge. un	5⅛	..
Can. Airways	1	..	North. Trusts	..	7½
Corr. P. Box	.60		Traders Bldg.	44	..
Cres. Cream., p.	..	12	West. Grain, p.	..	7
Dom. Envelope c	..	9½	West. Steel	5¾	8¾
Fed. Grain c.	.35	1¼			

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Mar. 24	11,300	11,000	212,000	......
Mar. 23	8,700	2,900	133,000	9,785
Mar. 21	5,300	2,200	73,000	6,600
Mar. 20	5,800	7,000	150,000	15,180
Mar. 19	7,000	12,200	153,000	6,519
Mar. 18	6,500	18,300	205,000	13,545

Government Bonds

Mar. 25, 1942 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
1½	May '42	100	...	...
2	June '42	100¼	...	...
3	Oct. '42	101¼	101½	.41
2½	June '43	101¼	101¾	1.04
5	Oct. '43	105	105½	1.47
2	June '44	100¾	101¼	1.42
a2½	Jan. '44	98½	99½‡	2.39
4½	Oct. '44	106¾	107¼	1.62
2½	Nov. '44	102	102½	1.52
a2½	Aug. '45	98¾	99½‡	2.73
a4	Oct. '45	103½	104	b1.44
2	Mar. '45	100½	101	1.65
2	Dec. '46	99	99½	2.11
4½	Feb. '46	108¾	109¼	1.96
3½	June '49	103	103¾	b2.31
3½	Oct. '49	102½	103	b2.31
3½	Nov. '51	101¾	102½	b2.84
3½	Feb. '52	101½	102½	b2.93
5	May '52	100½	101½‡	b.50
4	Oct. '52	105¾	106½	b2.75
3	June '51	99½	100¼	2.96
3	Oct. '52	99	99¾	3.03
3	June '55	99½	100	3.00
4½	Nov. '56	106¾	107½	b2.80
4½	Nov. '57	107½	108½	b2.90
3	June '58	99½	100	3.00
4½	Nov. '58	108¾	109½	b2.92
4½	Nov. '59	109¾	110½	b2.99
a4	Oct. '60	104½	105½	b3.29
a3½	Jan. '61	97	98½	‡3.36
3½	June '66	101	101¾	b3.10
a3e	Jan. '67	94½	95½	‡3.28
a3e	Nov. '68	94½	95½	‡3.27
†3	Perpet'l.	93¾	94½	3.17

Dominion Guarant'd Bonds — Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101	.95
2½	Jan. '46	100¾	101½	1.85
3	May '44	102½	103¼	1.50
3	Dec. '50	99½	100½	2.93
3	Feb. '53	98½	99½	3.05
3	Jan. '59	98	99	3.08
*4½	Sept. '51	115½	116¾	2.51
*4½	Feb. '56	116¾	117¾	2.95
4½	July '57	116¾	117¾	3.05

%	Due	Bid	Ask.	Approx. Yld.
4½	June '55	118	119½	2.98
5	Feb. '54	117¾	118¾	3.12
*5e	July '69	117	118	...
*5e	Oct. '69	120	121½	b2.48
*5e	Feb. '70	120	121½	b2.56
Grand Trunk Pacific Rly.:				
3	Jan. '62	99¾	101	2.93
Provincial Gov't. Bonds — New Brunswick:				
3	Oct. '51	91½	93	3.88
3½	Aug. '49	93	95	4.04
3½	June '56	92	94	4.05
c4	Nov. '47	101	104	b2.84
c4½	Apr. '61	104½	107½	3.94
c5	Jan. '60	108	111	4.13
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	98	100	3.25
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	106	108	b2.75
c4½	Nov. '60	110	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.17
3	Apr. '48	99	100	b3.00
3	Nov. '50	99	100½	3.00
3½	Nov. '51	100	102	b2.95
3½	May '55	99½	102	b3.02
*4	June '62	107	110	3.32
4½	June '50	109	110	3.13
*4½	Jan. '62	114	116	3.39
5	Oct. '48	110½	111¾	3.00
*5	Dec. '60	120½	122½	3.38
5½	July '46	109	110½	2.90
Ont. Hydro Commission:				
3	Aug. '48	100	101	b2.74
3½	Feb. '53	100	101	b3.10
3½	Apr. '47	102½	104½	2.54
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.19
3½	Mar. '48	98½	100	3.25
3½	Mar. '59	98	99½	3.54

%	Due	Bid	Ask.	Approx. Yld.
4	Nov. '52	102	103½	b3.54
3½	Feb. '55	101	102½	b3.43
4½	Aug. '58	105	107	3.64
4½	Jan. '63	110	112	3.67
Alberta:				
4½	Oct. '51	67	..	d
4½	Oct. '56	63	66	d
4	Dec. '54	59½	61½	d
*5	Oct. '59	65	68	d
c5½	Apr. '52	67	69	d
6	Mar. '47	71	73	d
British Columbia:				
c4	Dec. '57	101	103	3.75
*4½	Jan. '51	105	108	3.44
c4½	Oct. '53	106	109	3.54
c5	Apr. '54	111	113	3.65
5½	Feb. '45	102	104	4.06
6	Feb. '47	106	108	4.21
Manitoba:				
c4	Dec. '57	96	98	4.17
c4½	Dec. '56	99	102	4.31
*5	Dec. '59	102	105	4.59
5½	Oct. '55	102	104	5.09
6	Apr. '47	102	104	5.10
Saskatchewan:				
4	Sept. '54	78	81	6.20
4	Nov. '60	77	79	5.85
c4½	Oct. '51	87	90	5.86
c4½	Mar. '60	86	88	5.37
5	Aug. '58	87	90	5.96
5½	Oct. '52	92	93½	6.33
6	Mar. '52	93½	95½	6.63

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦-Calculated to 1950 average maturity.

Unlisted Stocks

Mar. 24, 1942 (Furnished by A. J. Pattison, Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., pf.	47½	52
Andian National	28	30
Anglo C. Tel., A	6¾	7½
Atlas Steel	17	19
Barrymore, pfd.	38	..
Brand. Hen., c.	3	4½
B. C. Pulp, c.	9½	11
Do., pfd	68	71
B. C. Sugar	64	68
B. C. Tel., 1st p.	106	..
Brown, com.	1¾	1¾
Do., pfd.	27½	29
Burns & Co., A	4½	4¾
Do., B	2	2¾
Can. Co-op. Wl.	8	..
Can. Indust., A	145	..
Can. Ing. Rand	70	76
Can. Mot. L.A.B.	5	..
Can. Tube, 1st p.	77½	82
Chase, A. W., p.	17½	19
Colonial Realty	2½	..
Colonial Steam	32½	36
Corr. Pap. Box c	1	2
Copeland Fl. un.	13	15½
Dunlop T. p. $25	17½	20
Easy Wash p $10	10	11½
Galt Brass. c.	9½	..
Goderich Elev.	6	7
Guard. Realty, p	10	..
Guelph Carp., c	16½	18
Gurney Fdry., p	1½	1¾
Hayes Steel, c.	14½	15½
Hi'land Dairy, p	45	50
Inglis, John	4	5
Ingram & Bell, p	93	..
Kingst. Ship., un	37	39
Do., com.	6½	7½
Loblaw, Inc., c.	11½	12½
Minn.&Ont. P. c	4	4¾
M'row Screw, p.	103	105
Do., com.	13	16
Morrison Br. un	4½	5¾

	Bid	Ask.
Moirs, Ltd.	18	21
Neilson, Wm., p.	100	..
N. Meth. Ldy., p	60	65
Ont. Tobacco, p.	18	19½
Pac. C. Term., c.	..	6
Prov. Paper, pf.	100	102
Quinte Milk	2½	3½
Stand. Fuel, p.	51	54
Stedman, pf. $50	54	57
Sutton Horsley	¾	1
Tor. Carpet, c.	54	..
Do., pfd.	65	70
Un. F. Co-op.	2¾	3½
Un. Steel, A pf.	20	22
Viceroy Mffg., c.	12	..
Trusts & Loan Stocks:		
Brit. Mtge.	120	132
Brockville Tr.	42	..
Capital Tr.	28	32
Comm. Fin., c.	4	..
Grey&Br. Tr. $50	42	..
Guaranty Trust	100	104
Guelph & O. $50	50	54
Indust. Mtge.	24	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	35	41
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¾	1½
Traders Fin. A c	3	5
Do., A pfd.	57	62
Trusts&Gr., new	32	35
Victoria Trust	65	70
Waterloo Trust	99	..
Insurance Stocks:		
Canada Life	340	375
Brit. Amer.	50	52½
Canadian Fire	79	82
Confed. 30% pd.	125	135

	Bid	Ask.
Cons. Fire Cas.	3¾	..
Continental L.	30	35
Crown, fully pd.	260	285
Dominion Fire	138	..
D. of Can. Gen.	112	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life.	200	210
Federal, 25% pd.	52	56
Halifax Fire	14	15½
Imperial Life	265	280
Manufac. Life	216	221
Monarch Life	33	35½
National Life	10	16
Sov. L. 25% pd.	12½	..
Sun Life	225	250
Tor. General	4½	5¾
Wellington Fire.	58	..
Western Assce.	37	40
Theatre Stocks:		
Allen's, St. Cath., units	53	57
Loew's London p	2½	3¾
Mansf. Theat., p	30	32
Para., Kitch., p.	50	..
Do., Oshawa, c	7½	9¾
Investment Trust Shares:		
Can. Investors	4½	5
Inv. Found. un.	42	44½
Sec's, Hold., pf.	18½	20
United Corp., A	19	21½
Do., B	4	5
Power Issues:		
Can. W. N. Gas	24	27
Do., pfd.	101	..
Gt. Lakes Pr., p	101	104
Int. Util., $1.75 p	8½	13
Do., $3.50 pf.	25	..
Mtl. Isl. Pwr. p.	43	..
Nor. Ont. Pr. p	70	75

Unlisted Mines

Toronto, March 24, 1942

	Bid	Ask
Albany R (New)	..	.10
(Old)	..	.03½
Amal Kirk	.03¾	.04½
Anoki	..	.03
Aquarius	.13	.18
Arjon	.02½	.03½
Armistice	.03	.06
Argosy	.03	..
Area	.02	.03
Athona (New)	.00½	.01½
Barb Lard	.02½	.03
Brock	.04	.06
Calder B	..	.03
Can Rad	.06	.09
Central M	.01½	.01¾
Cheminis	.02	.03
Coin Lake	.01½	.02½
Cons Chib	.04	.06
Delpine	.05	.06
Desantis (New)	..	.06
Dona Pat	.01	.01½
(New)	..	.08
Eastward	.06	.10
Elmos	.05	.07
Franco	.17	.20
Galore	.00½	.01½
Goodrock	.20	.22
Hayes-Cad	.02	.03
Hoyle new	.09	.11
Hugh PaP	.02½	.03½
Hutch Lke	.01	.02
Kewagama	.01½	.02½
Kirk Gate	.00½	.01½
Kirk Town	.07	.09
Lacoma	..	.01
Laguerre	.03½	.05½
Lake Duf	.14	.16
Lake Gen	.04½	.06
Lw Pete	.14	.18
Magnet C	.37	.41
Magnet L	.10	..
Martin Bir	.01½	.02½
Mata Can	.02	.03
Mata Con	.12	.14
McMar'ac	.08	.13
Mof Hal n	.01	.02
Mosher	.04	.05½
McManus	.00½	.01½
Nat Mal	.15	.18
Nickel O	1.00	1.20
Norbeau	.15	.18
Northland (1940)	..	.02½
Norwin	.03	.04½
N Ribago	.00½	.01
Numalake	.09	.13
Oklend	.03	.04
O'Leary M	.03	.04
Opemiska	.05	.07
Orpit	.02	.03½
Pascalis	.13	.16
Pontiac R (Old)	.02	.04
Pelangio	.01	.02½
Polaris	..	.02
Proprie'y	2.90	3.15
Presdor	.02½	.03½
Queb Mn	.14	.16
Rand Ml	.11	.13
Red Lake	.00¾	.01½
Ritoria	.01	.02
Rouge	..	.02
S.A.G.A.	.40	.75
Sachigo	4.50	5.00
Shenango (New)	..	.06
Sheldon	.03½	.04½
Skynner	.01½	.02½
Smelters	.00½	.01
Springer	.10	.12
Stadacona	.04	.06
Thomson	.09	.11
Union Mn	.01½	.04
Wesley	..	.01
Y David'n	.14	.16

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada) Mar. 24, 1942

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 24	Asked	Bid Mar. 17
♠Alg. Cen. H.B.R.	5	'59	14½	16½	14
†Assoc. Tel. & T.	5½	'55	63	66	62½
B. C. Power	4½	'60	97	100	...
B. C. Tel.	4½	'61	105	107	104½
†Calgary Pwr.	5	'60	107	109	107
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	100½	102½	102
*Dom. Gas & El.	6½	'45	103	...	103
Gatineau Pwr.	5	'49	101	103	100½
*Do., A	3¾	'69	98	100	98½
♦Do., B	3¾	'69	97½	99½	98
Gt. Lakes Pwr.	4½	'56	100½	102½	100
Do.	5	'57	96½	99½	96
*Int. Hydro-El.	6	'44	34	37	33
♠Inter. Power	6	'55	100½	102½	100½
L. St. Law. Pwr.	5	'55	99½	101½	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	103½	105½	102½
Do.	3½	'73	102½	104½	101½
Do.	3½	'63	102	104	102
†Mtl. Tramways	5	'51	100½	102½	100
†Do.	5	'55	73	76	73
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	101	...	101
Ottawa L.H.&P.	4	'57	101½	...	101½
Ottawa V. Pwr.	5	'59	100½	102½	100
†Power Corp.	4½	'59	90½	93½	90½
Quebec Pwr.	4	'62	101½	103½	102
*Saguenay P.	4½	'66	106	...	106
♦Do., B	4½	'66	104½	107½	105
St. Maurice Pr.	4½	'70	102	104	102
Shaw. W. & Pr.	4	'61	102	104	102
Do.	4	'69	102	104	102
Union Gas	4½	'50	101	103	101
*Twin C. R. Tr.	5½	'52	83	86	83
†United Secs.	5½	'52	43	46	42½
‡Wpg. El. ser. A.	5	'65	84	87	83
Do., B	5	'65	69	72	68
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	73½	76½	74½
Do., C.O.D.	5	'53	73½	76½	74½
Acadia Sugar	4½	'55	101	...	101
Do.	6	'54	99½	102½	99½
†Alta. Pa. Grain.	6	'46	103	105	103
Algoma Steel	5	'48	100½	...	100½
Atlantic Sugar	4	'51	100½	...	100½
†B. C. Pulp & P.	6	'50	91	94	91
‡†Do.	7	'50	105	108	105
*Brown Co.	5	'58	79	82	76½
Burns & Co.	5	'58	73	76	69½
Canada Cement	4½	'51	102½	104½	102½
Canada Electric	4½	'65	95½	98½	95½
Can. Paper	4½	'52	101	...	101
Can. Steamship.	5	'57	100½	102½	100½
Can. Canners	4	'51	101	103	101
*Can. Int. Paper.	6	'49	106	108	105
‡Can. Locomotive	6	'53	100	103	100½
‡†Candn. Vickers	6	'47	93½	96½	93½
C. P. R.	3½	'51	97	99	96
Do.	4	'49	100½	102½	100
Col. Steamships	6	'54	100½	102½	100½
†Consol. Paper	5½	'61	76	79	76½
Dom. Coal	4½	'52	99½	102½	99½
Dom. Scott. Inv.	4	'52	98	101	98½
Dom. Stl. & C.	6½	'55	105	108	104½
Dom. Tar	4½	'51	102	104	102
Dom. Woollens.	6	'53	94	97	94
†Donnacona Pap.	4½	'56	77	80	77
*Dryden Pap.	6	'49	100	103	100
†East. Dairies	6	'49	80	83	80
Famous Players	4½	'51	98	100	97½
†Federal Grain	6	'49	101½	...	101½
†Fraser Cos.	6	'50	101½	...	101½
Galt Brass	5	'50	93	...	93
Gen. Stl. Wares	4½	'52	100½	103½	100½
*Gt. L. Paper	5	'55	94½	97½	93½
*Gurney Fdry.	5½	'49	88	91	90
†Gypsum Lime	5½	'48	101	104	101
Ham. By-Pr. C.	5	'55	101	104	101
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	77	80	76½
Ins. Ex. Bldg.	3	'51	45	48	44½
*Inter. P. Nfld.	5	'68	98	101	97½
*Inv. Bond & Sh.	5	'47	42	45	42
†Kingston Elev.	6	'50	104½	107½	104½
Lake St. J. P.	5½	'61	87	90	88
Do.	5	'61	66	69	70½
Legare	6	'61	89	92	88
Maple L. M.	3	'58	77½	80½	76½
Man. Sugar	5	'60	99½	102½	100
Massey-Harris	4½	'54	92½	95½	93
McColl-Fron.	4½	'49	102	104	102
McCormicks	4	'52	95½	98½	95½
Do.	4½	'52	104	106	104
Mercury Mills	5	'59	94	97	94
Mersey Paper	5	'57	97½	100½	97
†Do.	6	'49	99½	102½	99½

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Bid and asked as at Mar. 24, 1942, and change in bids from previous week.

Miscellaneous Stocks:	Bid	Ask.	Chge.
†Allens Tor. Th., p.	32½	35	−½
Atlas Steels, 7% pfd.	105	106½	−½
*Can. Gen. Rubber, pfd.	18¾	22½	−½
Can. Mach., new c.	9	12	+1
C.P.R. 4% pfd. (£ par)	1.80	2½	−.20
Cap. Wirecloth, p.	19	22½	−½
Cawthra Apts., pfd.	2	3	+½
Century Finance c.	..	27½	−1
Claude Neon, pfd.	1¾	2	unch
Comm. Life, 10% pd.	6.10	7½	−½
Dom. Alloy & Steel, pf.	.10	.25	+.05
Do., com.	.10	.25	+.05
Dom. Life, 70% pd.	179	206	+1
Dover Industries	6½	6¾	+½
Eastern Steel, pfd.	20	20¾	+½
†Fort W., Hotel, units	45½	49¾	+½
Hart Battery, com.	4.10	4.55	−.05
Imperial Varnish, c.	8	9½	−½
Indust. Accept., 5% p.	60	65	−1½
London & West. Trusts	33	35	+1
Mount Royal, new com.	3.05	3.75	−.05
Murphy Paint, com.	8.15	9.10	+.05
Do., pfd.	88	90	unch
Nat. Hosiery, com.	.75	.90	+.05
Do., pfd.	.80	1.10	unch
†N. Amer. Elevator, p.	77	..	−2
Do., 2nd pfd.	25½	..	−½
St. John Dry D., p.‡	98	100	−1¾
Seal-o-Sac	.25	.75	unch
Sterling Rubber, 6½% p.	..	62	unch
Tip Top Tailors Inc., un.	11½	14	+½
Traders Finance rts.	9½	11	unch
Viceroy Mfg., 6% pfd.	20	21½	−2
Waterloo Mfg., new c.	.75	.90	+.10
Wentworth Radio, p.	2.05	3	+.05
West. Can. Hydro, pfd.	10	11½	−½
West. Life, 10% pd.	9	10½	unch
York Trading, com.	2½	5½	−½

‡Ex-div.
*Issue carries arrears.
†Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate	Due	Bid Mar. 24	Asked	Bid Mar. 17
*M. & O. Paper	5	'60	100½	102½	100
Moirs Ltd.	6	'53	...	90	87
‡Mtrl. Drydocks.	6	'48	80	...	80
Montreal Apts.	4	'54	57½	60½	55
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	81	84	81
Price Bros.	5	'57	99½	102½	99
Do.	4	'57	82½	85½	83½
*Prov. Paper	5½	'47	105	108	105
Reliance Grain.	4½	'52	96	99	96
†Restigouche Co.	6	'48	101½	...	101½
Rolland Paper	4½	'51	101	103	101
Ruddy, E. L.	6½	'48	90	...	90
Silv. Dairies	6	'66	93½	96½	93½
Simpsons, Ltd.	4½	'51	101	103	101½
Smith, Howard.	4½	'51	102	104	102
Stand. Lime	6	'44	98	...	98
Sterling Coal	6	'45	97½	100½	97½
Stop Shop	3	'47	57	60	58
United Corp.	5	'53	94	97	94
*United Gas	5½	'48	105	108	105
United Gr. Grs.	5	'48	100½	103½	100½
†Western Grain	6	'49	67½	70½	67

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
♠Payable in Can. or U. K.

Municipal Bonds

Mar. 24, 1942

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	113.00	115.00	3.90
Hamilton	5	1950	109.25	112.25	3.28
Montreal	5	1945	93.00	95.00	6.80
Ottawa	4½	1945	105.00	106.50	2.45
†Quebec	5	1959	109.00	112.00	4.17
Saint John	5	1950	104.00	106.00	4.17
†Toronto	4½	1955	111.00	114.00	3.18
†Vancouver	5	1950	100.00	104.00	4.40
Winnipeg	5	1944	100.75	103.87	3.00

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.87	2.04
Can. Amer. Trust	2.75	3.30
Can. Inter. Trust	3.60	4.40
Can. Invest. Fund	2.85	3.20
Corporate Investors	5.19	5.60
Trans-Canada	8.55	9.40

Annual Meetings

27	Goodyear Tire	Toronto
27	Kerr-Add. Gold M.	Toronto
28	Monarch Knitting	Dunnville
28	Pressed Metals of Am.	Port Huron, Mich.
r. 28	Seal-O-Sac (Can.)	Toronto
r. 30	Central Pat. Gold	Toronto
r. 30	Can. Eagle Oil	Toronto
r. 20	Hollinger Cons. Gold	Montreal
r. 30	Preston E. D. Mines	Toronto
r. 30	Alg. Cent. & H. Bay Rly.	Sault Ste. Marie
ar. 31	Can. Cycle & Motor	Toronto
ar. 31	Can. Gen. Invest.	Toronto
ar. 31	Holt, Renfrew	Montreal
ar. 31	Rolland Paper Co.	Montreal
ar. 31	Russell Industries	Toronto
Apr. 1	Can. Gen. Electric	Toronto
Apr. 2	Invest. Bond & Sh.	Montreal
Apr. 2	United Corp.	Montreal
Apr. 6	Ajax Oil & Gas	Toronto
Apr. 7	Simpsons, Ltd.	Toronto
Apr. 7	Western Steel	Winnipeg

Mining Dividends

	Rate	Mar. 23	Yield %
Anglo-Huronian	▲10c	2.00	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.12	14.3
Bayonne	†1c	.03	..
Beattie Gold	16c	.68	23.4
Berens River	†3c	.60	..
Bralorne	80c+40c	7.20	•16.7
Broulan Porc.	12c	.38	..
Buffalo Ankerite	▲30c	2.25	..
Bulolo Gold	$3	5.25	..
Can. Malartic	8c	.30	26.6
Cariboo Gold	16c+1c	1.10	•15.4
Central Patricia	16c+4c	1.00	•20
Chesterville	15c	.99	..
Cochenour Willans	6c	.51	11.8
Coniagas	▲17½c	1.05	..
Coniaurum	16c	.68	23.5
Cons. Smelters	$1+$1.50	38.25	•6.5
Delnite	▲6c	.34	..
Dome Mines	$1.20	12.50	..
East Malartic	5c	1.32	..
Falconbridge	20c	3.10	..
Francoeur Gold	▲4c	.24¼	..
Gold Belt	▲2c	.14	..
Grandview	▲1½c	.14½	..
Grull Wihksne	†1½c	.02	..
Hallnor	40c	2.00	20
Hard Rock	▲8c	.40	..
Hedley Mascot	8c	.26	..
Hollinger	65c+45c	6.80	•16.1
Howey Gold	▲4c	.14	..
Hudson Bay	$2	24.50	..
Inspiration	†2c	.25	..
Inter. Nickel, com.	$2	31.00	6.4
Island Mountain	▲18c	1.00	..
Jason	4c	.18	..
Kerr-Addison	▲35c	3.20	..
Kerr Lake	5c	.22	..
Kirkland Lake	‡4c	.49	..
Kootenay Belle	▲8c	.15⅛	..
Lamaque Gold	40c+15c	3.50	•15.7
Lake Shore	80c	7.65	10.4
Leitch	8c	.41	..
Little Long Lac	▲20c	1.00	..
Macassa	32c+3c	2.20	•15.9
Madsen R. Lake	▲3c	.34	..
Malartic Gold	10c	1.31	..
McGillivray Coal	2c	.22½	..
McKenzie Red L.	12c	.70	17.2
Moneta	8c	.25	..
McIntyre-Porc.	$2.22+$1.11	37.12	•8.9
MacLeod-Cockshutt	10c	1.26	..
Naybob Gold	4c	.16	..
[illegible]	[illegible]	[illegible]	[illegible]
Sudbury Basin	[illegible]	[illegible]	[illegible]
Sullivan Cons.	▲8c	.52	15.4
Surf Inlet	▲2c	.06	..
Sylvanite Gold	20c	1.15	17.3
Teck-Hughes	40c	1.75	22.8
Toburn	12c+6c	.95	•18.9
Upper Canada	▲14c	.75	..
Ventures	▲20c	3.35	..
Waite Amulet	40c	4.15	..
Wendigo	3c	.14	..
Wright-Harg.	40c+20c	1.96	..
Ymir Yankee	▲2c	.03¼	..

▲Paid in 1941. •Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, p.	$1.75	Apr. 1	Mar. 16
Asbestos Corp.	15c	Mar. 31	Mar. 1
Do., extra	15c	Mar. 31	Mar. 1
Amer. Cyan., A, B	†15c	Apr. 1	Mar. 12
Do., pref.	†12½c	Apr. 1	Mar. 12
Assoc. Brew.	25c	Mar. 31	Mar. 10
Do., pref.	$1.75	Apr. 1	Mar. 10
Bathurst Pr., A	25c	June 1	May 15
Do., extra	25c	June 1	May 15
Bralorne Mines	20c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
B.C. El. Pr. & G. p	$1.50	Apr. 1	Mar. 20
Bell Telephone	$2	Apr. 15	Mar. 23
Brazilian Tr., pf.	$1.50	Apr. 1	Mar. 16
Brit. Amer. Assur.	$1.50	Apr. 1	Mar. 27
Bk. of Nova Scotia	$3	Apr. 1	Mar. 16
Belding Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Broulan Porc.	?c	Mar. 31	Mar. 10
Brockville Trust	62½c	Apr. 1	Mar. 20
B. C. Power, A	50c	Apr. 15	Mar. 31
Burlington Steel	15c	Apr. 1	Mar. 17
Brant Cordage, p.	32½c	Apr. 15	Mar. 20
Brew. & Distillers	■50c	May 20	Apr. 30
Do., extra	■10c	May 20	Apr. 30
Brit. Amer. Oil	25c	Apr. 1	Mar. 12
Building Prod.	17½c	Apr. 1	Mar. 16
Canada Packers	$1	Apr. 1	Mar. 16
Can. Perm. Mtge.	$2	Apr. 1	Mar. 14
Can. Nor. Pwr.	■15c	Apr. 25	Mar. 31
Do., pref.	■$1.75	Apr. 15	Mar. 31
Cariboo Gold	4c	Apr. 1	Mar. 4
Can. Celanese	25c	Mar. 31	Mar. 17
Do., extra	25	Mar. 31	Mar. 17
Do., pref.	$1.75	Mar. 31	Mar. 17
Do., participating	$1.15	Mar. 31	Mar. 17
Canada Bread, p.	$1.50	Apr. 1	Mar. 20
Do., B pref.	62½c	Apr. 1	Mar. 20
Canada Cycle	30c	Mar. 31	Mar. 18
Do., pref.	$1.25	Mar. 31	Mar. 18
Canada Life	$5	Apr. 1	Mar. 31
Can. Steamship, pf.	$2.50	Apr. 1	Mar. 21
Can. Min. Eq., c. pf.	10c	Apr. 15	Mar. 3
Can. For. Invest., pf.	$2	Apr. 1	Mar. 15
Can. Gen. Elec.	$2	Apr. 1	Mar. 14
Canadian Oil, pfd.	$2	Apr. 1	Mar. 20
Can. West'ghouse	■50c	Apr. 1	Mar. 16
Can. Wire. Box, A	37½c	Apr. 1	Mar. 14
Do., arrears	12½c	Apr. 1	Mar. 14
Canada Iron	$3	Apr. 15	Mar. 31
Do., pref.	$3	Apr. 15	Mar. 31
Can. Bk. of Comm.	$2	May 1	Mar. 31
Can. Gen. Insur.	$5	Mar. 31	Mar. 15
Can. Gen. Invest.	■12½c	Apr. 15	Mar. 31
Can. Silk Prod.	37½c	Apr. 1	Mar. 14
Can. Tube & Stl., p.	$1.50	Apr. 15	Apr. 8
Can. Cottons	$1	Apr. 1	Mar. [illegible]
Do., bonus	$2	Apr. 1	Mar. [illegible]
Do., pref.	$1.50	Apr. 1	Mar. [illegible]
Central Can. Loan	$2	Apr. 1	Mar. [illegible]
Chartered Trust	$1	Apr. 1	Mar. [illegible]
Can. Malartic G.	2c	Mar. 26	Mar. [illegible]
Canadian Car, pfd.	44c	Apr. 10	Mar. [illegible]
Can. Converters	50c	Apr. 30	Mar. [illegible]
Cockshutt Plow	25c	June 18	June [illegible]
Can. Breweries, pfd.	75c	Apr. 1	Mar. [illegible]
Confederation Life	$1.50	Mar. 31	Mar. [illegible]
Do.	$1.50	June 30	June [illegible]
Do.	$1.50	Sept. 30	Sept. [illegible]
Do.	$1.50	Dec. 31	Dec. [illegible]
Can. Indust's., A, B	$1.50	Apr. 30	Mar. [illegible]
Do., pref.	$1.75	Apr. 15	Mar. [illegible]
Cent. Pat. Gold	4c	Mar. 30	Mar. [illegible]
Do., extra	1c	Mar. 30	Mar. [illegible]
Carnation, 1st pf.	†$1.25	Apr. 1	Mar. [illegible]
Celan. of Amer.	†50c	Mar. 31	Mar. [illegible]
Do., 5% pref.	†$1.25	Apr. 1	Mar. [illegible]
Do., 7% pref.	†$1.75	Apr. 1	Mar. [illegible]
Do., 2nd pref.	•†$1.75	Apr. 1	Apr. [illegible]
Cochenour Willans	3c	Apr. 20	Mar. [illegible]
Com. Alcohols, c.	5c	Apr. 15	Mar. [illegible]
Com. Alcohols, pfd.	10c	Apr. 15	Mar. [illegible]
Can. Canners	12½c	Apr. 1	Mar. [illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
[illegible]	[illegible]	[illegible]	[illegible]

▲Payable in U. S. funds. •Subject to approval of Foreign Exchange Control Board. †Initial. ‡Payable Sept. 1 and Dec. 1. ■Net after deducting corporate income tax.

Prairie Farmers Appraise New Policy

On the Whole New Increased Minimum Prices Viewed With Approval

From Our Own Correspondent

WINNIPEG.—Continuing discussions at Ottawa over the difference between 90 cent and $1 wheat might give the impression western farmers are unanimously critical of the new agricultural policies of the government. Reliable reports from many different sections of the West show the actual situation is otherwise.

Over large areas, and particularly in Manitoba and northern Saskatchewan and Alberta, there is a very decided tendency to approve. In all those parts of the country the promise of a guaranteed minimum price for barley has been received with enthusiasm, and seed barley is being shipped in considerable quantities into many areas where supplies have been deficient.

Enthusiasm for the guaranteed price for oats is not readily apparent. Good seed oats are more widely available and intentions to increase acreage are not made manifest by bringing in seed grain. Then, again, although oats are much more widely grown than barley, comparatively few farmers have been in the habit of considering this grain as a cash crop.

Like Oat Guarantee

Where farmers' opinions have been obtained, it is evident the guarantee of a minimum price for oats is going to increase acreage. But it may be doubtful if the full effect of announcement of the guarantee has yet been felt.

Discussion of the wheat price basis has tended to obscure what is being offered with respect to oats. Cases are reported where farmers are slow to realize that the government is actually offering them an unlimted outlet for all the oats they are able to produce and market, and there are fears that there must be some strings on the offer.

Apparently, the situation needs some further publicizing, with stress laid on the fact that the U. S. actually needs oats from this country, and that the guaranteed price is a response to wartime requirements.

Manitoba farmers have no difficulty in deciding to seed to barley on their well-prepared summer fallow land which might otherwise have gone into wheat. Such seeding is not the usual procedure. There is often allotted to barley whatever acreage is left to be seeded when it is too late to put in more wheat, or land which in the spring was too dirty to seed to wheat, but on which cultivation until almost the first of June has tended to make it suitable for use.

But many Manitoba farmers are reluctant to seed oats on summer fallow. On such land, they believe that if the season is comparatively rainy, growth may be too rank, with the production of more straw than grain. It is only in limited western areas, however, that there can be fears of too much moisture for any crop, and in Saskatchewan a good deal of summer fallow is likely to be put into oats.

Fear Higher Feed Price

One curious complaint has been registered by some livestock farmers whose practice it has been in the past to buy feed from their neighbors. They do not like the price guarantee for oats and barley because it may mean that they will have to pay more for their feed.

Some livestock men have been trying to determine whether or not there is any danger that farmers who have been feeding livestock will be tempted to give up that operation, and count instead on selling their feed grains. Such an effect is not generally expected, on the theory that any farmer equipped to feed livestock will make more out of the grain he feeds than that which he sells. It is even argued that the guaranteed price for coarse grains may result in extending livestock operations in Manitoba.

The reasoning is that because of the guarantee many farmers will seed a much larger acreage to feed grains. They know that if they get more of such grains than they actually need themselves there will be a market for it. But, it is said, once the feed grain is produced, many a farmer will be reluctant to sell it, and the fact of having a surplus may lead him into more extensive livestock operations.

It is quite possible that the guarantee of feed grain prices will result in up to 100 million extra bushels of oats and barley in the three Prairie Provinces this year.

In Saskatchewan there may be found a special reason for general approval of the government policy. Because of crop failure experience, many farmers have found the acreage payments made by the government much more valuable than a higher wheat price would have been. Thus, although they supported the plea for dollar wheat, it was with the reservation, sometimes openly expressed and sometimes implied, that they did not want any interference with the acreage payments

There are many farmers, of course, almost altogether dependent upon income from wheat, in areas not suited either to production of livestock or of coarse grains. It is among such farmers, who cannot take advantage of either wheat acreage reduction bonuses or of guaranteed prices for other crops, where the greatest discontent exists with respect to the wheat price

Price Indices Mostly Higher

Livestock Prices Move Contrary to General Commodity Trend

Commodity prices continue to show a moderate up-trend. All spot indices were higher with Dow Jones index of future prices lower.

Rationing has helped control prices with extension of rationing expected. In certain commodities e.g., textiles, desire to increase inventories is said to be a factor, especially in the United States.

Livestock prices in Canada moved against the general trend. Exports of cattle to the United States have fallen off, easing the price while supplies of hogs have exceeded demand.

	Latest week	Previous week	Same week last yr.
Cattle	$10.75	$11.10	$9.60
Hogs	15.35	15.40	11.40
Copper, lb.	.12	.12	.12
Cotton, lb.	.2024	.2024	.1115
Sugar, raw, lb.	•.0374	.0374	.0334
Wheat, Man. (bu.)	.78⅜	.78⅛	.75¾
Coffee, lb.	•.09⅜	.09⅜	.06⅜
Hides	•.15½	.15½	.14
Weekly Indices			
U. S. Labor	97.1	96.9	80.9
Wood Gundy	76.7	76.6	69.9
Dow Jones (fut.)	86.60	87.16	61.92
Fishers	103.8	103.6	87.8
Monthly Indices			
Canada (D.B.S.):			
Retail (Feb.)*	115.7	115.4	108.2
W'sale (Feb.)	94.6	94.3	85.2
U. S. (Dec.)	93.6	92.5	80.0
Gt. Brit. (Dec.)	155.9	155.2	148.2

Note:—The base of indices is that 1926 equals 100. *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Ric. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

•Ceiling prices fixed by the office of Price Administration.

Steady Progress Made In Whittling Visible

From Our Own Correspondent

WINNIPEG. — With substantial shipments going overseas, and with deliveries of new wheat by farmers continuing at only a small rate, a decrease of 3½ million bushels in the Canadian visible supply, to slightly over 470 million bushels took place last week. Whether it will fall to 400 millions or less before the end of the crop year next July 31, will depend on the incalculable factor of the rate at which shipments continue to Great Britain.

With ample reserves the British Government can regulate such shipments in accordance with other demands on shipping. Recent changes in British milling regulations, requiring a higher flour extraction from all wheat used, indicate a determination to economize.

70 Million in East

It is interesting to note that over 70 million bushels of the visible supply is in eastern positions, at a time when eastern stores are due shortly to be reinforced by shipments at the opening of lake navigation.

While lake head terminals are well filled, country elevator stocks are down to slightly over 200 millions, on not greatly more than the storage capacity of elevators before country annexes were built. With the opening of navigation country stocks will be shipped out to the extent that there will be more empty space in country elevators than there is grain stored in the annexes.

Exporters are now engaged in accumulating quantities of cash wheat in terminals for shipment at the opening. Plans are evidently to get wheat forward to the full extent that vessel space is available.

The lake fleet has been depleted by transfer of number of vessels to Atlantic service, and it is expected that more will be diverted, after one or two trips this spring.

With practically no change in price the wheat market has seen a large volume of business during the last few days. This is mostly represented by the transfer of open commitments to the Canadian wheat board, in accordance with notice served by the Board that such transactions should be closed out at the closing prices of March 5.

Dial Telephone Service Limited

From Our Own Correspondent

MONTREAL.—Cutting over from manual to dial telephone service in the territory served by the Bell Telephone Co. of Canada is out for duration of the war. This policy was decided upon by the company two years ago. Certain cut-overs are still in process, but no new projects have been approved by the company since the policy was reached.

Dial telephones will continue to be installed in those areas where automatic exchanges are in operation and when new services are requisitioned. This curb on installations is designed to conserve materials, a step which is now being adopted generally by the American telephone companies.

Wheat Prices

Winnipeg Grain Futures

Week to Mar. 23, 1942

Crop year from Aug. 1, 1941 High	Low		High for week	Low for week	Close Mar. 23
		Wheat			
.82¾	.76¼	May	.79¼	.79¼	.79¼
.82⅛	.77½	July	.80⅜	.80⅜	.80⅜
		Oats			
.51½	.38⅛	May	.51¼	.50½	.50⅝
.51¾	.42⅛	July	.50¼	.48⅜	.49½
.50	.46	Oct.	.49⅝	.48½	.48⅝
		Barley			
.64¾	.49⅜	May	.64⅝	.64¼	.64¼
.64¾	.55⅛	July	.63⅝	.62⅝	.62¾
.63⅞	.57	Oct.	.62⅝	.61⅞	.62
		Flax			
1.64½	1.40¼	May	1.64	1.64	1.64
1.64	1.48	July	1.64	1.64	1.64
1.64	1.60	Oct.	1.64	1.64	1.64
		Rye			
.67⅜	.52¾	May	.65⅞	.63½	.63¾
.66⅝	.65¼	Oct.	.66⅜	.64⅞	.65
.66⅝	.60⅜	July	.66⅝	.65¼	.65¼

Cash Quotations

	For Week Mar. 23 High	Low	Prev. Week High	Low
Wheat:				
1 Hard	.78⅜	.78¼	.78⅛	.77⅞
1 Nor.	.78⅜	.78¼	.78⅛	.77⅞
2 Nor.	.75⅛	.75	.75	.74⅛
3 Nor.	.73⅛	.73⅛	.73⅛	.73
4 Nor.	.71⅞	.71⅞	.71⅞	.71¾
5 Wheat	.69¾	.69¾	.69¾	.69⅝
6 Wheat	.67¾	.67¾	.67¾	.67⅝
Feed	.65¼	.65¼	.66⅛	.65⅛
Oats:				
2 C. W.	.50⅜	.49⅝	.50¼	.49¾
3 C. W.	.48¾	.47⅞	.48⅝	.48⅛
Barley:				
1 Feed	.61⅜	.60⅛	.61¼	.60⅛
2 Feed	.60⅜	.60⅛	.60¼	.59⅛
Flax:				
1 C. W.	1.64	1.64	164	1.64
2 C. W.	1.59½	1.59½	1.59¾	1.59½
Rye:				
2 C. W.	.64⅝	.62⅜	.65¼	.64½

Wheat and Flour Exports Vary

Exports of wheat in February were sharply down from the same month a year ago while flour exports in contrast showed a material increase.

On the month wheat exports were down some 42% while for the first two months of the current year total exports are up 15% over the same period of 1941.

Flour exports have shown strong increases in both months reported so far this year with February shipments being some 66% ahead of February, 1941, while the two-month total is up around 133%.

Details, as supplied by the Dominion Bureau of Statistics are as follows:

Wheat Exports

	Quantity Bushels	Value $	Aver. Export Price $
February			
1939	5,746,333	3,531,726	0.615
1940	6,598,237	5,775,465	0.875
1941	9,459,594	7,856,622	0.831
1942	5,424,327	4,809,080	0.886
Two Mos. Ended February			
1939	13,625,296	8,178,163	0.600
1940	16,955,842	15,025,402	0.886
1941	14,339,674	11,830,063	0.825
1942	16,569,135	14,115,010	0.852

Wheat Flour Exports

	Quantity Barrels	Value $	Aver. Export Price $
February			
1939	290,766	886,944	3.050
1940	559,338	2,135,700	3.818
1941	606,757	2,000,062	3.296
1942	1,056,348	4,251,891	4.025
Two mos. Ended February			
1939	670,304	2,059,268	3.072
1940	1,284,654	4,748,085	3.696
1941	961,575	3,243,466	3.373
1942	1,806,711	7,286,636	4.003

Company Reports

Commercial Life

Important features of the annual report of the Commercial Life Assurance Co. of Canada for 1941 are:

An increase of 95% in new business written.

Insurance in force at a new high level.

A gain of 2.5% in total assets.

New insurance written during 1941 totalled $3.5 millions, compared with $1.8 million in 1940. This with an improved mortality during the year contributed to the expansion of more than 11% in business in force to a total of $11.5 millions.

Total premium income was slightly above the previous year, while income from interest, rents and dividends was 11.5% higher than in the previous year. Total income was slightly lower, however, mainly because consideration received for annuities was lower than in 1941, while maturity of a substantial number of 20 payment life policies during the year meant discontinuance of the premiums.

Total assets were $2.7 millions, highest in company history. The Commercial Life boasts it has never, in any year since it started business, shown a decrease in assets.

Payments under policy contracts were down from 1940, the decrease being due to lower mortality. Payments to living policyholders were slightly higher. Managing Director J. W. Glenwright reports that since organization, the company has paid over $4.7 millions to policyholders and annuitants.

Since the outbreak of war the company has subscribed $340,000 for Dominion bonds.

	1941 $	1940 $
New insurance	3,539,094	1,814,075
Insurance in force	11,576,903	10,413,041
Total income	500,663	504,146
Premiums	326,391	325,057
Int., divds., etc.	129,981	116,633
Policy payments	266,741	283,935
Death claims	48,093	72,234
Other claims	218,648	211,701
Assets	2,763,809	2,697,721
Securities	1,752,853	1,642,913
Mortgages	244,848	268,882
Policy loans	306,918	328,804
Policy reserves	2,102,079	2,033,543
Surplus	400,332	433,613

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OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS
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MANITOBA - SASKATCHEWAN - ALBERTA
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and other Exchanges
Head Office, WINNIPEG - Private wires connecting offices across Canada
JAMES RICHARDSON & SONS LIMITED
EST. 1857

DIVIDEND NOTICES

The Toronto Mortgage Co.
Quarterly Dividend
Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 1st April, 1942, to Shareholders of record on the books of the Company at the close of business on 14th instant.
By Order of the Board,
WALTER GILLESPIE, Manager.
5th March, 1942.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED
Canada Northern Power Corporation, Limited
The Board of Directors has declared this day the following dividends:
7% Cumulative Preferred Stock
No. 69, quarterly, $1.75 per share, payable April 15th, 1942
No par value Common Stock
No. 51, quarterly, 15c per share, payable April 25th, 1942,
to holders of record at the close of business March 31st, 1942.
L. C. HASKELL, F.C.I.S., Secretary.
February 24th, 1942.

St. Lawrence Corporation Limited
DIVIDEND NOTICE
NOTICE is hereby given that a quarterly dividend at the rate of twenty-five cents (25c) per share has been declared on the issued and outstanding shares of Class A 4% Cumulative Convertible Preferred Stock of the Company payable 15th April, 1942, to Shareholders of record at the close of business on the 31st March, 1942, subject to the approval of the Foreign Exchange Control Board.
By Order of the Board,
L. A. TUCKER, Secretary.
820 Sun Life Building, Montreal.
March 19, 1942.

St. Lawrence Paper Mills Company, Limited
DIVIDEND NOTICE
NOTICE IS HEREBY given that a quarterly dividend at the rate of Seventy-five cents (75c) per share has been declared on the issued and outstanding shares of Preferred Stock of the Company, payable April 15th, 1942, to Shareholders of record at the close of business on March 31st, 1942, subject to the approval of the Foreign Exchange Control Board.
By Order of the Board,
L. A. TUCKER, Secretary.
820 Sun Life Building, Montreal.
March 19th, 1942.

DIVIDEND NOTICES
NOTICE OF DIVIDEND
Famous Players Canadian Corporation Limited
NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on all issued common shares of the Company without nominal or par value, payable on Monday, the 27th day of April, 1942, to shareholders of record Saturday, the 11th day of April, 1942.
By order of the Board.
N. G. BARROW, Secretary.
DATED at Toronto, this 24th day of March, 1942.

THE STEEL COMPANY OF CANADA LIMITED (STELCO)
PREFERENCE DIVIDEND NO. 123.
Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending March 31, 1942, payable May 1, 1942, to shareholders of record at the close of business April 7, 1942.
By Order of the Board.
H. S. ALEXANDER, Secretary.
Hamilton, Canada, March 12, 1942.

THE STEEL COMPANY OF CANADA LIMITED (STELCO)
ORDINARY DIVIDEND NO. 101.
Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending March 31, 1942, payable May 1, 1942, to shareholders of record at the close of business April 7, 1942.
By Order of the Board.
H. S. ALEXANDER, Secretary.
Hamilton, Canada, March 12, 1942.

DIVIDEND NOTICES
The Canadian Bank of Commerce
Dividend No. 221
Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th April, 1942, and that the same will be payable at the Bank and its Branches on and after Friday, 1st May next, to shareholders of record at the close of business on the 31st March, 1942. The Transfer Books will not be closed.
By Order of the Board.
A. E. ARSCOTT, General Manager.
Toronto, 20th March, 1942.

Bathurst Power & Paper Co. Ltd.
Notice of Dividend on Class "A" Shares
The Board of Directors has to-day declared a quarterly dividend of Twenty-Five (25c) cents per share, and in addition an extra dividend of Twenty-Five (25c) cents per share, on the Class "A" shares of this Company, both payable on the 1st day of June, 1942, to shareholders of record at the close of business on the 15th day of May, 1942.
H. J. WEBB, Vice-President & Treasurer.
March 23rd, 1942.

The Great West Saddlery Company Limited
6% Cumulative First Preference Stock ($50.00 Par Value)
6% Cumulative Second Preference Stock ($50.00 Par Value)
A dividend at the rate of six per cent (6%) per annum or Seventy-five Cents (75c) per share, being the accumulated dividend for the three months ending March 31st, 1942, on the First Preference Stock, and for the three months ending March 31st, 1940, on the Second Preference Stock, has been declared and authorized to be paid on April 7th, 1942, to all First and Second Preference shareholders of record with the Transfer Agents of the Company at the close of business on March 23rd, 1942.
By Order of the Board.
J. C. BROADFOOT, Secretary.
Winnipeg, Man.
March 18th, 1942.

Quebec Power Company
NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending March 31, payable May 25, to shareholders of record April 23, 1942.
By Order of the Board,
H. G. BUDDEN, Secretary.
Montreal, March 23, 1942.

DIVIDEND NOTICES
The Dominion Bank
Dividend No. 238
Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th April, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of May, 1942, to shareholders of record of the 15th April, 1942.
By Order of the Board,
ROBERT RAE, General Manager.
Toronto, 12th March, 1942.

Kirkland Lake
Dividend No. 15
A semi-annual dividend of four cents per share on the outstanding capital stock of the Company has been declared payable May 4th, 1942, to shareholders of record April 4th, 1942.
Taxes imposed on shareholders' dividends will be deducted where applicable.
By Order of the Board,
H. F. CASSIDY, Secretary-Treasurer.
Toronto, March 20th, 1942.

Consolidated Bakeries of Canada Limited
NOTICE IS HEREBY GIVEN that a dividend of fifteen cents (15c) per share on the outstanding shares in the capital stock of Consolidated Bakeries of Canada Limited has been declared payable on the 1st day of April, 1942, to shareholders of record at the close of business on the 24th day of March, 1942.
By order of the board,
H. O. NEALE, Secretary.

Provincial Paper Limited
Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1942, to shareholders of record as at close of business March 15th, 1942, in Canadian Funds.
W. S. BARBER, Secretary-Treasurer.
Toronto, Ontario.

Canadian Tube & Steel Products Limited
Notice is hereby given that a dividend of one and a half per cent (1½%) on the 7% Cumulative Preferred Stock of Canadian Tube & Steel Products Limited has been declared payable on the 15th day of April, 1942, to Shareholders of record at the close of business on the 8th day of April, 1942.
By Order of the Board.
P. B. NASH, Secretary.
Montreal, March 19th, 1942.

DIVIDEND NOTICES
San Antonio Gold Mines Limited
(No Personal Liability)
Dividend No. 17
Notice is hereby given that a dividend of 7c a share, and an extra dividend of 3c a share, making 10c a share in all, has been declared on the outstanding capital stock of the company, payable in Canadian funds, on the 20th day of April, 1942, to shareholders of record at the close of business on the 4th day of April, 1942.
By order of the Board.
M. SNYDER, Secretary.
Winnipeg, February 20, 1942.

The Shawinigan Water and Power Company
NOTICE is hereby given that a dividend of twenty-two (22c) cents per share has been declared on the no par value common shares of the Company for the quarter ending March 31, payable May 25 to shareholders of record April 23, 1942.
By Order of the Board,
H. G. BUDDEN, Secretary and Assistant Treasurer.
Montreal, March 18, 1942.

PENMANS LIMITED
Dividend Notice
NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1942.
On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1942.
On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1942.
By Order of the Board.
C. B. ROBINSON, Secretary-Treasurer.
Montreal, March 18, 1942.

Canada Iron Foundries, Limited
DIVIDEND NOTICE
Notice is hereby given that a dividend of 3% on the $100.00 par value 6% non-cumulative Preference Shares of this Company has been declared for the half year ended December 31st, 1941.
Notice is also given that a dividend of 3% on the $100.00 par value Common Shares of this Company has been declared for the half year ended December 31st, 1941.
Both dividends are payable on April 15th, 1942, to Shareholders of record March 31st, 1942.
By Order of the Board.
M. S. GROGAN, Secretary-Treasurer.
Montreal, March 20th, 1942.

C. I. L. Ends Record Year

Peacetime Expansion Fully Harnessed to War Effort

Vital contributor to many phases of Canada's war effort is Canadian Industries Limited which grew great and sprawling in the years of peace and was ready for a major industrial job in war.

Because of the many phases of its operations, because of its indirect contribution and, through the subsidiary Defence Industries Ltd., its direct contribution, this company's annual report as presented by G. W. Huggett, president and managing director, is of unusual interest.

War demands brought an increase of 25% in value of 1941 sales but earnings of the company are slightly lower than in 1940.

Direct sales of Canadian Industries to the Canadian and British governments amounted to only 1.9% of total sales, although another 2.2% consisted of raw and processed materials consumed by Defence Industries Ltd.

Largest stimulus and the greater activity had its origin in government outlays for essential materials.

Chemicals Up 46%

The chemical division accounted for 46% of the increase in total sales. Average prices for the year are 2.3% higher than in 1940 as against a much greater advance in general commodity prices.

Cellophane had increased demand but use of this product is now greatly restricted.

The "Fabrikoid" division has kept pace with the growth of the nation's diversified needs for rubber-coated and pyroxylin-coated fabrics. This was aided by modernization and expansion of facilities started prior to the outbreak of war and completed early in 1941. Restriction in use of rubber to manufacture of war materials and a limited number of civilian products will result in decreased production.

Paints For War

An increasingly large proportion of the paint and varnish division's equipment is given over to manufacture of protective covering for mechanized equipment, ordnance, aircraft and miscellaneous military supplies. Raw material shortages limit expansion in production and although some changes in ingredients have been found possible to utilize available supplies, certain lines will eventually have to be discontinued.

The plastics division featured manufacture of nylon monofilament which began early in the year. It is meeting an urgent domestic demand because of reduced supplies of natural bristles formerly imported. The company has undertaken the supply of many types of plastic materials on a re-sale basis where consumption in this country does not yet justify their manufacture.

Chlorine Demand

Facilities of the alkali division have been taxed to the limit by need of chlorine by war industries. Productive capacity has been enlarged and increased output was achieved by adjustment of operating schedules and processes. It has been placed under government control and the normally largest consumer, the pulp and paper industry, has been restricted. Further increases in production are planned.

Caustic soda is obtained along with chlorine from the same chemical process. A plant for the manufacture of anhydrous hydrogen chloride is under construction and an existing muriatic acid plant has been rebuilt and expanded.

Demand for industrial chemicals exceeded any previous year and the general chemicals division operated at capacity. Largest increase occurred in consumption of sulphuric acid which is used in metal processing, petroleum refining and in the manufacture of other chemical products and textiles, in addition to its use in industries directly engaged in production of war materials.

A plant now under construction for the manufacture of nylon yarn from imported flake polymer is expected to go into operation about the middle of 1942. Additional facilities to meet the government's request for double output are not scheduled for completion until later in the year.

Sales of imported nylon yarn to the textile industry have remained low, and experiments in the uses of the material indicate that the output of the new plant may be largely utilized for war purposes.

Textiles Need Dyes

Organic chemicals division reports consumption of dyes and other chemical intermediaries by the textile industry is the main demand and showed gains. Sales of sodium cyanide to the mining industry were larger as were sales of rubber chemicals.

Neoprene, a synthetic rubber, is obtained in the United States and can be used only to make products for the armed services. A number of substitute products have been developed to ease shortages of other chemicals. The war has greatly expanded the demand for trichlorethylene, a solvent for degreasing purposes, and productive facilities are being expanded.

Output of the salt division last year was again expanded. Chlorine, among other chemicals, is derived from salt and a considerable portion of the increase in output went into the manufacture of this chemical.

Commercial Ammunition

Increased output of the "Dominion" ammunition division is largely due to expanded demand for war supplies. It was possible, by modifying certain types of commercial products, to make large quantities of ammunition available to the government. Production of railway signals and fuses was also increased.

Commercial demand for ammunition also advanced, but government orders had priority. This curtailment will become more severe during 1942 as the amount of metals allocated for manufacture of commercial ammunition has been greatly reduced.

The explosives division had difficulty in obtaining raw materials but maintained high production. Increased consumption of explosives resulted from efforts to increase metals production and large volume of public construction. Because some materials previously imported cannot now be obtained, this division has had to undertake manufacture of various ingredients used in the production of both commercial and military explosives.

Higher prices and appeal for greater supplies stimulated many farm crops and the company's fertilizer group had further gains.

Defence Industries

Production of explosives, ammunition and chemicals for military purposes, together with shell-filling is carried on in plants operated by Defence Industries Ltd. This wholly-owned subsidiary was organized in Sept., 1939, to keep such direct war activities segregated from those in the established business of Canadian Industries. To finance the necessary additions to pre-war plants and to provide working capital, $2 millions was invested by the parent company in capital stock of Defence Industries Ltd.

$73 Millions For Plants

Expenditures totalling $73 millions have been authorized by the government for plants and equipment for shell-filling, manufacture of cordite, TNT, tetryl, smokeless powder, various types of small arms ammunition and special chemicals, for military purposes. Construction began in Feb., 1940, and ten new units, many of them major projects, are already in operation.

Quantities made are already substantial and output from government-owned plants will be much greater in 1942. Employment rose from 4,000 at the beginning of 1941 to 24,000 employees at the end of December. This includes many specially trained men and women transferred from the parent company to provide the core for the subsidiary's management and operating staff.

Spend $100 Millions

Under terms of contract planned with the Department of Munitions and Supply, Defence Industries Ltd. is provided with funds to cover cost of construction and is paid a management fee calculated at a small percentage of the volume of work involved. Expenditures made by this company for British and Canadian governments including construction costs, has exceeded $100 millions since the outbreak of war.

Subsidiary Units Grow

Subsidiary and managed companies have assumed new tasks rising out of war.

Aluminate Chemicals Ltd. produces sodium aluminate and other chemicals required in the treatment of boiler feed waters.

Canadian Hanson and Van Winkle Co. had increased demand for metal-plating supplies and equipment, degreasing solvents, galvanizing fluxes and other materials.

Canadian Safety Fuse Co. is installing equipment for filling initiators for military purposes.

Canadian Titanium Pigments Ltd. made further progress although difficulties encountered in obtaining supplies from abroad.

Cornwall Chemicals Ltd. has completed construction of a plant for production of carbon bisulphide.

Research Pressed

New and heavy demands were made on research facilities. Important assistance was given by the company's association with Imperial Chemical Industries Ltd. and E. I. du Pont de Nemours & Co. Patents as well as specialized technical knowledge have been placed at the disposal of the government for military purposes during the emergency, also rights to royalties have been voluntarily surrendered.

Number employed by the company itself last year increased 12% to 6,000 at Dec. 31. This increase compares with 23% in 1940 and of the increase a larger proportion were women and older men. Excluding Defence Industries Ltd., the companies for whose management Canadian Industries is directly responsible employed 1,573 at the end of the year, an increase of 5%.

ACTUARY

S. E. Brock, F.A.S., F.A.I.A., has been appointed actuary of the Industrial Life Insurance Co. of Quebec, succeeding A. F. Muth, who becomes assistant managing director.

Suit Makers Get O.K. To Raise Prices

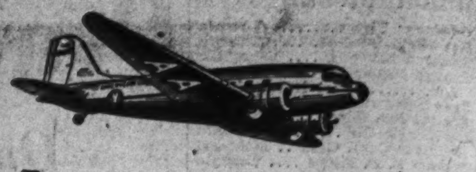
Higher Costs Bring Increase in Wholesale Suit Prices

By STAFF WRITER

OTTAWA.—Permission has been granted manufacturers of made-to-measure suits to raise prices by 50 cents on lines priced at wholesale up to $20 and up to 5% on lines priced to the retailer from $20.50 and over. These price increases apply on suits for spring, 1942. They are applicable to "new sample ranges sent out for spring, 1942, selling season and are not to be applied to the sample ranges of previous season's cloths excepting staples that may be in the hands of retailers."

Reason for the move is said to be the substantial increases in manufacturers' costs over those prevailing in the fall of 1941 and which were not reflected in retailers' selling prices for the basic period. The step will mean a moderate narrowing of the retailer's profit margin as his ceiling will continue to hold. Clothing simplifications recently announced may mean economies to help compensate for some of that narrowing.

On seasonal lines, the Wartime Prices and Trade Board has approved an increase of "not more than 10%" in manufacturers' prices compared with those of a year ago. Seasonal lines include: made-to-measure summer weight suits of gabardine, flannel, Shetland tweed, cashmere, tropical suits, sports trousers and sports jackets.



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BUFFALO—Morning and evening flights. Connections to Rochester, Syracuse and Cleveland.

WASHINGTON—Only 4 hours. Daily service to Pittsburgh and Baltimore.

GOING		
Lv. Toronto	10:30 am	6:50 pm
Ar. Buffalo	11:07 am	7:27 pm
Ar. Newark	1:31 pm	——
Ar. New York	1:56 pm	9:20 pm
RETURNING		
Lv. New York	6:35 am	2:55 pm
Lv. Newark	7:00 am	——
Lv. Buffalo	9:25 am	5:30 pm
Ar. Toronto	10:05 am	6:10 pm

(Daylight Saving Time Shown)

COMPLIMENTARY MEALS SERVED ALOFT
21-PASSENGER FLAGSHIPS
Customs clearance at Buffalo

*Fares Payable in Canadian Dollars.
For reservations, call your Travel Agent or
WAVERLEY 4661
Ticket Office: Reford Bldg., 36 Wellington, West, TORONTO

AMERICAN AIRLINES
ROUTE OF THE FLAGSHIPS

Land Mortgage Elects Officers

At the annual meeting of the Land Mortgage Companies' Association of Ontario, representing 33 loan, life and trust companies, the following officers were elected:

Past President—W. H. GREGORY, managing director, British Mortgage & Trust Corp. of Ontario, Stratford.

President—R. E. WOODCOCK, assistant treasurer, Canada Life Assurance Co., Toronto.

First Vice-president — MAJOR JOHN BARNETT, manager, Credit Foncier Franco-Canadien, Toronto.

Second Vice-president—O. E. MANNING, general manager, Grey and Bruce Trust & Savings Co., Owen Sound.

Secretary-treasurer—G. R. G. BAKER, 302 Bay St., Toronto.

Truck Makers Get Stop Order

No More Trucks For Civilian Use in Canada — Work on Pooling

Production of trucks for civilian use in Canada ended March 14, except by permit, according to announcement by Munitions Minister Howe. This does not mean that the truck producing companies will stop making trucks, however, as war needs for Canada and her Allies are to absorb all that can be made.

In future all trucks manufactured will be designed for military purposes. Permits will not be granted unless it can be shown that the need is imperative and in the public interest and unless a reconditioned truck would not serve the purpose equally well. New regulations do not apply to the manufacture of buses.

Linked with this order ending manufacture of civilian trucks is a programme to prevent wastage of transportation facilities. A definite programme is under way to eliminate empty and half-empty runs and make sure that available trucks are used to the maximum. Trucks in the hands of the dealers and not already sold will be allocated by dealers themselves.

This latest order apparently completes the conversion of the automobile and truck industry from peacetime manufacturing to war-time. Production of passenger automobiles has already been stopped.

For the retail end of the automobile business it is another blow, taking away the last source of new cars or trucks to which they had access.

NOTICE OF MANPOWER REGISTRATION

At the request of the Honourable Humphrey Mitchell, Minister of Labour, and by authority of Order-in-Council under the War Measures Act, the Unemployment Insurance Commission is registering all persons in industries coming within the scope of the Unemployment Insurance Act, 1940.

It is mandatory that the Registration Cards now being supplied to employers be completed for ALL employees, insured and non-insured, and forwarded to the Local Office of the Commission by March 31st.

This Is An Important War Undertaking

The skills and training of every worker in Canada must be known in order that they may be used to the best advantage. This is the first step towards complete registration of man-power.

Renew Unemployment Insurance Books Before April 1

To avoid duplication of effort, the above registration is being combined with the renewal of Unemployment Insurance Books.

A supply of new books will be mailed promptly on receipt at your local Employment and Claims Office, of completed registration forms and the old books stamped for the last pay period in March.

For details consult the Commission's Local Office without delay.

YOUR CO-OPERATION IS URGENTLY REQUIRED

Unemployment Insurance Commission

Ottawa, Canada. March 23, 1942.

WE'RE PRODUCING

This

TELEPHONE EQUIPMENT FOR THE ARMED FORCES

BEFORE

This

TELEPHONE EQUIPMENT FOR CIVILIAN USE

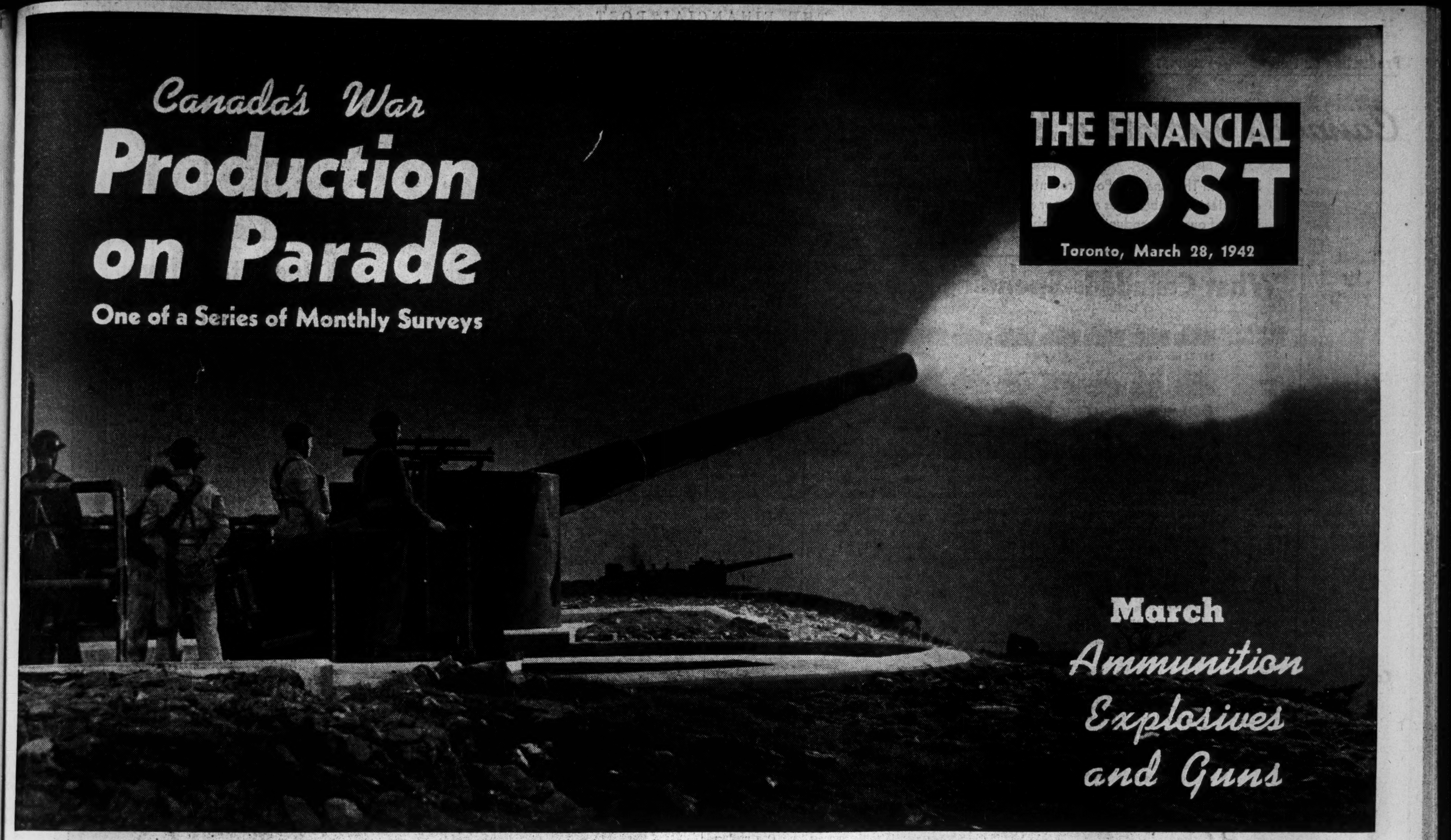
Telephone Equipment for Victory comes first!

We of Northern Electric, makers of the Nation's telephones, have largely diverted our facilities to the production of equipment of the Armed Forces. While Operating Telephone Systems may still be able to accommodate additional civilian demands, raw materials, for the production of new equipment, are being curtailed. Telephone equipment is but one of the many products of this Company the manufacture of which has been materially decreased for civilian use, in the interests of Canada's ever-growing part in the Victory that must be won.

WORKING FOR VICTORY AND SAVING FOR VICTORY!

Pictured on the left is Harry Hartford, a skilled tool maker, who has been with us for forty-five years. He's one of the thousands of us Working for Victory through all out War Effort and — Saving for Victory through continuous and regular purchases of War Savings Certificates.

Northern Electric
COMPANY LIMITED



Canada's War Production on Parade

One of a Series of Monthly Surveys

THE FINANCIAL POST
Toronto, March 28, 1942

March
Ammunition Explosives and Guns

Crafts of Peacetime Make Total War

For making the weapons of warfare, Canada has three basic advantages.

First of all she is rich in industrial "know-how," rich in that intangible blend of knowledge, instinct and dynamism which can get things done—which turns individual tools and machines into production lines; which turns groups of individuals into production armies.

Though peacetime working forces were too limited in size to handle the vast war programme, especially after the armed forces had drained away large numbers of them, energetic, deft and alert Canadian womanhood promptly saw its opportunity and its responsibility in the ranks of the production army.

Of the some 600,000 Canadian workers now engaged in war industries, some 75,000 are women and their numbers are increasing with every passing week.

It has been estimated that during 1942, some 100,000 more workers will be required by Canadian war industry.

On this page there are three summaries of the basic raw materials that go into guns, explosives and ammunition and key sources of them.

War has brought a rapid increase in Canada's brass production. Our peacetime needs were not great. War makes demand artificially high. But Canada's brass production has been increased at least 10 times by the erection of two new brass plants.

What of Canada's metal-working industry for war?

As with raw steel, Canada's peacetime needs were amply and skillfully served by a metal industry that was much too small for the enormous needs of war.

But this smallness of stature has not been nearly the handicap some feared in the early months of the war. The metal working industry was well directed, well organized, staffed by men with a fine tradition of workmanship and understanding.

Illustrative of that fact are the many new processes and production short-cuts which Canadian engineers have promptly discovered when they started to turn out war equipment as designed and produced overseas. Another example is the fact that in a giant plant turning out rifles this whole intricate process has been put on a production line basis, there isn't a single gunsmith in the entire plant and a large percentage of the workers are girls who, until a few months ago, were experienced mainly in the skill of the office and the art of the kitchen.

Canada's machine tool industry—the makers of things that make things—was too small for the vast war programme. As in steel, Canada from the first days of war had to face a situation in which it was dependent on the United States machine tool industry which had more than it could do to supply promptly the needs of industry in its own land.

That problem was deftly, wisely managed by the one-man control of Canadian machine tool supply and distribution. Citadel Merchandising Co., a government enterprise, pooled Canadian orders, bought on a mass basis, supervised distribution and named priorities

The result is that the long-predicted and much feared bottleneck in machine tools failed to materialize. And well-informed production engineers now report that with few exceptions war plants got the machine tools they needed almost as soon as they had new floor space and new trained staff to make good use of them.

In the field of explosives Canada had a much easier problem. Because Canadian industry generally was efficient, because it had long since tossed thumb rules out the window and put in their place eager, highly trained scientists in well-equipped laboratories, a changeover to production of rivers of explosive chemicals was relatively simple.

Plants for explosives output are relatively simple to erect and put into production. Structures are simple in the extreme. Equipment and machines are generally very common to industry and simple in design.

Mobilizing and training large working staffs was a much greater task. Pre-eminent was perfecting the safety organization, setting forth and enforcing the strict and constant discipline on which the safety of every explosives plant worker's life depends. Organizing the steady flow of raw materials required as illustrated in the chart on page 20 involved the co-operation of many widely varied phases of Canadian peacetime industry.

Canada Makes *Shells*

From

Copper

for driving bands around the shell, fuse parts, component of brass in the cartridge case, supplied by Canada's copper mines — Noranda, Hudson Bay, Sherritt Gordon, International Nickel, Falconbridge, Normetal, Waite Amulet, Granby, Howe Sound.

Zinc

for brass in the cartridge case, fuse parts—from Consolidated Mining & Smelting, many of the copper producers listed above.

Aluminum

for lightening the nose of shells, used as powder in thermite incendiary bombs and shells, and as fuse parts—made by Aluminum Co. of Canada, operating subsidiary of Aluminium Ltd.

Alloys

for hardening nose and body of armor-piercing shells and shot; toughening gun barrels and other steel parts — nickel from International Nickel and Falconbridge, tungsten from Cons. Smelters, and from a long and growing list of gold mines; manganese, mostly imported, more domestic production coming from the Maritimes; chromite soon to come from Quebec and chromium from Canadian metallurgical plants.

Steel

for shell casings and solid shot, ultimately may be used for cartridge cases. Supplied by basic steel producers, machined in the shops of farm and rail equipment makers, construction firms and other peacetime steel industries.

Canada Makes *Guns*

From

Steel

for barrels, wheels, mountings, axles, trails, breech and firing mechanism—provided by hundreds of Canadian firms, including the following key producers: Steel of Canada, Dosco, Algoma Steel, Atlas Steel, Burlington Steel, Dominion Foundries.

Brass

for bearings and fittings—from the brass mills of Anaconda American Brass (two mills—one wholly owned and one government financed) and from Allied Brass, government-owned mill.

Rubber

for tires, mountings, instrument eyepieces—from Goodyear, Dominion, Dunlop, Firestone, Seiberling, Goodrich, Gutta Percha, Viceroy, others.

Glass

for gun sights and for the complex instruments that direct fire of the guns—made and assembled at Research Enterprises Ltd., owned by Canadians through their government.

Paint

for camouflage, protection against weather and gas—produced by Sherwin-Williams, Brandram-Henderson, Murphy Paints, Canadian Industries Ltd., Ault & Wiborg, International Paints (Canada), Imperial Varnish & Colour, and others.

Company names are cited here for purposes of illustration, rather than as a complete report of all contributing to this phase of the war effort. Space limitations make complete listing here impracticable.

Canada Makes *Explosives*

From

High Grade Pulp

for converting into nitrocellulose or "gun cotton" in the plants of Allied War Supplies, key government explosives maker, managed by Canadian Industries Ltd. through a subsidiary. Principal suppliers of pulp are Canadian International Paper, Great Lakes Paper, Fraser Cos., Lake St. John Power & Paper, Abitibi Power & Paper, Brown Corp., B. C. Pulp & Paper, Port Royal Pulp, Gaspesia Sulphite and Donnacona Paper.

Fats

and vegetable oils, to be made into soap and hence glycerine by leading soap makers such as Colgate-Palmolive-Peet, Lever Bros., Procter & Gamble. Vegetable oils have been largely imported, more will now come from Canadian sources, flax, soya beans, etc.,

Coal

for the derivatives of coal tar such as toluol for TNT, gases like ammonia. Petroleum is a rival source of some coal-tar chemicals, but most in Canada come from artificial gas plants—Consumers' Gas, Hamilton By-Product Coke, Montreal Coke, etc.

Acids

mainly nitric and sulphuric, both of which are largely supplied from plants specially built for the explosives industry by Allied War Supplies Corp., owned by U. K. and Canadian governments.

Detonators

Principally compounds of lead and mercury, both produced by Con. Mining & Smelting.

Set forth in tabular form over the page under the heading "Canadian Industry Builds for Victory" is the complete list of the guns, ammunition and explosives that Canada is now producing, plus other items which Canada will start making this year. Inside pages of this section report in detail on various phases of this programme, on production problems faced, on triumphs achieved.

Very evidently, this phase of Canada's war programme is of the most intense interest to the enemy. Very evidently Canada's war industry now has a new attraction for the saboteur. Hence, some items are not mentioned even by name, some production details are omitted. Articles in this section have had close official scrutiny and are held to reveal nothing of value to the enemy.

Government Aids War Expansion

Few countries had less background in manufacture of military materials than Canada when this war started.

Canada's job has been one of mobilizing an essentially peacetime industry for war output.

In addition in dozens of centres, large and small, entirely new plants have sprung up, many of them requiring thousands of workers and many acres of floor space. All are making munitions of war, a type of manufacture strange three years ago.

These new plants need skilled management. They require the "know how" of production which Canada's peacetime industry had developed through years of experience.

This management problem has not been an easy one to solve when the need for production management was added to multiplying government boards, all demanding—and most getting—topnotch executive ability. It has meant dilution of executive ability sometimes to an alarming extent, but it has also meant new opportunities and new experiences for hundreds of men who will thereby become more valuable peacetime workers.

All this has meant the investment of a lot of money in new plants, equipment and materials.

This new capital has been supplied from two sources:

1. By the Canadian and United Kingdom governments.

2. By Canadian companies from their own resources.

The first is the most important although no precise figures are available as to the amount of money Canadian companies have invested in new war plants themselves.

It is known, however, that almost $600 millions of capital expansion has been financed directly by the two governments, allocated as follows:

Government Money Built Plants For

	$
General munitions	433,570,881
Aircraft	52,213,165
Shipbuilding, ship repairs	12,982,405
Gov't. owned companies	71,464,857
Total	570,231,308

It Was Supplied By

	$	%
United Kingdom	271,694,665	47.6
Canada	298,536,643	52.4
Total	570,231,308	100.0

If an additional $26.6 millions of direct government expenditures, not included in direct capital assistance or working capital, is added, the total comes to $596.9 millions.

This huge sum went to provide added output of direct war materials. By products it bought new productive facilities to make:

What It Is To Make

	Total %
Misc. materials not end products	26
Guns, mountings, carriages	23
Chemicals, explosives	20
Ammunition	10
Aircraft	9
Machine tools, etc.	6
Shipping	2
Automotive	2
Bombs, mines	1
Tanks, carriers	1

In most cases this money has paid for additions to plants already in existence. It has bought the specialized machines needed to turn out anti-aircraft guns, rifles, machine guns, airplanes, shells, ships and many others. It has constructed the buildings to house this machinery, bought the raw materials needed to keep them going and provided the working capital for payrolls, supplies and the thousands of items that have to be paid for and turned into munitions.

In other cases it has gone to finance the building of entirely government-owned factories.

Where the capital is actually provided by private concerns, numerous protections are allowed. They may get permission for accelerated depreciation—to write the investment off within the probable duration of contracts for the products to be made. The War Contracts Department Board looks after this.

What does all this mean to the Canadian investors who own the majority of such companies? Does it mean great profits, small profits, large losses or small losses?

In one important direction it has meant nothing but financial grief. Market value of all classes of investments are below pre-war levels. There is no sign that large profits are being made, nor is there the slightest sign that such will be the case.

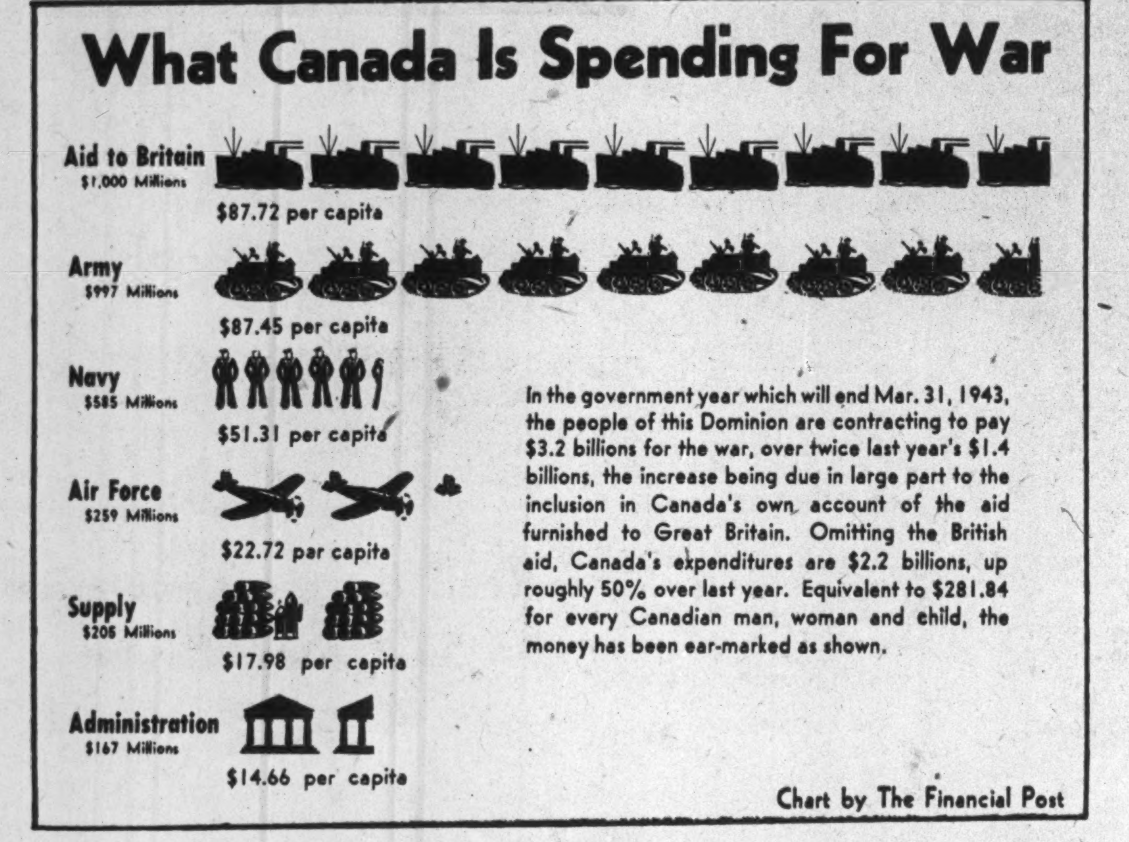
Peak operations for companies engaged on war work—the kind discussed in this case—mean lower per unit costs. In most cases the record scale of operations has more than offset the growing costs, including taxes. More companies are reporting gains in net profits in 1941 than declines and most companies are able to show their financial strength well maintained.

Investors are still getting their interest and dividends. As a matter of fact their income has been better maintained than has their capital value.

Production on Parade — A Progress Report

Canada's Industry Builds For Victory

Herewith The Financial Post presents the obtainable, publishable and latest available facts about our armed forces, about the main items of our war production, and about war finances



In the government year which will end Mar. 31, 1943, the people of this Dominion are contracting to pay $3.2 billions for the war, over twice last year's $1.4 billions, the increase being due in large part to the inclusion in Canada's own account of the aid furnished to Great Britain. Omitting the British aid, Canada's expenditures are $2.2 billions, up roughly 50% over last year. Equivalent to $281.84 for every Canadian man, woman and child, the money has been ear-marked as shown.

Chart by The Financial Post

Canada's Gun Production

As reported by the Dept. of Munitions and Supply.

- 25-pounder field guns with equipment, tractors and trailers.
- Bofors anti-aircraft gun barrels, carriages, equipment.
- 3.7 inch anti-aircraft gun barrels.
- Two types of tank guns and mountings.
- Two types of anti-tank guns and carriages.
- Two-inch trench mortars.
- Three-inch trench mortars.
- Bren machine guns.
- Browning aircraft machine guns.
- Five types of naval gun mountings.
- Twelve-pounder naval guns.
- Lee-Enfield rifles.
- Safety fuse pistols.
- Depth charge throwers.

Ammunition

As reported by the Dept. of Munitions and Supply.

- Eight types, four calibres of small arms ammunition.
- 30 types of shells
- Twelve types of cartridge cases.
- Eight types of fuses.
- Two types of gaines.
- Five types of primers.
- 500-pound aerial bombs.
- Practice bombs.
- Two types of depth charges.
- Anti-tank mines.
- Rifle grenades.
- Seven types of trench mortar bombs.
- Filled rounds of ammunition, bombs and depth charges.
- Pyrotechnics of 50 basic kinds for aerial, field, naval and practice uses.

In addition to the armament already listed, the Department of Munitions and Supply reports that work is in progress and in most instances far advanced leading to the production in 1942 of the following equipment:

- 3.7-inch AA guns and carriages complete.
- Boys' anti-tank rifles.
- Three types of naval guns.
- Two types of naval mountings.
- A third type of AA barrel.
- Another type artillery carriage.
- Tank bomb throwers.
- Vickers machine guns.
- Sten machine carbines.
- Browning tank machine guns.

Chemicals and Explosives

As reported by the Dept. of Munitions and Supply.

Twelve types of chemicals, eight types of explosives.

23 chemical plants now operating. They represent an investment of $115 millions. Produced, 9 million shells.

Present capacity, 1.2 million units monthly.

Explosive capacity to fill 1 million complete rounds, 700,000 projectiles and 700,000 cartridges per month in 1942, plus filling for bombs, depth charges, mines and fuses.

Small arms ammunition capacity 50 million rounds a month, to treble in 1942. Includes ball, tracer, incendiary and armor-piercing bullets, in four calibres, five more to be added.

Wide range of explosives made, 150 million lb. delivered, monthly 1942 capacity to be 70 million lb.

Artillery shells shipped overseas monthly around 1.5 million.

Special Equipment

As reported by the Dept. of Munitions and Supply.

- 37 types of sighting and optical equipment.
- 10 types of special military and naval instruments.
- Radiolocators.
- Wireless sending and receiving equipment.
- Two types of gas masks.
- Four types flare parachutes.
- Three types minesweeping gear.
- Technical naval equipment.
- Nine types of searchlights.
- Six types smoke projectors.
- Three types marine smoke floats.
- Gas decontamination equip.
- Hospital equip. and supplies.
- Fire hose.
- Asbestos and glass rescue suits.
- Four types ammunition boxes.
- Four types machine tools in hundreds of sizes.
- 15,000 basic gauges.
- Bren gun tripods.
- Anti-submarine equipment.

Work is in progress for production this year on other types of armament described only as "secret equipment and weapons of various kinds," and predictors for anti-aircraft guns.

War Plants

Total war production, 1941 .... $1,000 millions
Total war production proposed for 1942 more than $2,000 millions

War Workers

600,000 of whom 75,000 are women "engaged directly and indirectly (end of 1941) in producing and distributing the weapons and supplies of war."

700,000 to be engaged by end of 1942.

Increased Productivity

As war industries get into production, per unit costs decline. Indicative of this is the fact that a dollar now goes further than a year ago.

- 66% further on cartridge cases
- 54% further on universal carriers
- 33% further on shells
- 30% further on machine guns

Fighting Vehicles

TANKS—Canada is making two types:

VALENTINE—medium size, infantry co-operation. One produced every eight hours by 4,000 workers in Angus Shops of C.P.R., Montreal. $90,000 each.

M-3 CRUISER—heavily armored, high speed offense unit. Produced by 3,000 workers in Montreal Locomotive Works. Rate secret.

UNIVERSAL CARRIERS, 700 a month .... $5,000 each

ARMORED CARS—Scout, scout armored and reconnaissance cars to reach production of "hundreds monthly" early in 1942.

Types of vehicles include: three types of wireless trucks, four types of ambulances, 12 types of field workshops, three types of fire trucks and 90 types on 12 different chassis of army mechanized transport, plus 12 types of special military tires.

Military Vehicles

Over 200,000 units shipped overseas.
Deliveries: "thousands monthly."

ONE CANADIAN INFANTRY DIVISION HAS

3,500 motor vehicles of 160 different types worth, plus one year's upkeep, $12 millions; one vehicle to 4-5 men. Represents total horsepower of 249,000. Total cost around $300,000.

ONE CANADIAN ARMORED DIVISION

3,500 motor vehicles.
Total estimated horsepower of 387,500.

CANADA PRODUCING

One army automotive unit every 3 minutes.
Total contracts to auto industry, July 14, 1939-Dec. 31, 1941, $113.8 millions.

Airplanes

Some 5,000 craft of all types manufactured or assembled here since war's outbreak.

Now building 100 Avro Ansons monthly, 16 Bolingbroke bombers plus five other types.

Production this year concentrated on nine types: Fairchild trainer, Avro Anson, Harvard, Bolingbroke, Consolidated PBY, Curtiss Dive Bomber, Lancaster and two types still secret.

Aero-Engine production under way in 17 months.

Armed Services

OBJECTIVES

	Now	By March 1943
NAVY	29,000	40,000
ARMY	295,000	385,000-395,000
AIR FORCE	100,000	170,000-180,000

Increase "in the opinion of general staff is maximum number of new men who can be effectively trained during that period for service overseas."

ENLISTMENTS

Breakdown of Enlistments by Provinces
As at Oct. 31, 1941

Province	Population	Total Enlistments	Enlistment % of Population	Navy	Army	Air
Maritimes	1,120,486	51,402	4.58	5,174	39,156	7,072
Quebec	3,319,640	60,195	1.81	4,007	47,556	9,632
Ontario	3,756,632	147,198	3.92	8,675	102,246	36,277
Manitoba	722,447	35,900	4.97	1,747	23,915	10,238
Saskatchewan	887,747	28,937	3.26	1,471	18,021	9,445
Alberta	788,393	32,676	4.14	1,909	22,372	8,395
British Columbia	809,203	36,339	4.49	3,697	24,501	8,141
All Canada	11,419,986	393,717	3.44	26,750	277,767	89,200

Total Enlistments During War 424,605
Army, 299,059; Navy, 26,141; Air Force, 99,405.
Army Enlistments—1939, 69,285; 1940, 128,289; 1941, 101,485.

CANADIAN ARMY OVERSEAS

By Nov. 1939	312
By Dec. 1939	15,000
By March 1940	20,000
By April 1940	over 25,000
By Aug. 1940	over 50,000
By Feb. 1941	over 60,000
By April 1941	over 70,000
By July 1941	over 90,000
By Sept. 1941	over 100,000
By Nov. 1941	over 125,000

Weight of Total Army Equipment Per Soldier
Napoleon's Army .... 500 lb.
McNaughton's Army .... 2,000 lb.

Shipbuilding

More than 70 shipyards engaged in cargo and naval ship construction.

NAVAL SHIPBUILDING

Major shipyards with contracts for
135 corvettes (about 100 already built)
85 minesweepers (59 built)
Two destroyers (none built)

Boatyards across Canada make assorted naval craft, rowboats to torpedo boats. Others combine with them in $10.5 millions programme for British and Canadian army, navy and air forces and for Norway and the Netherlands.

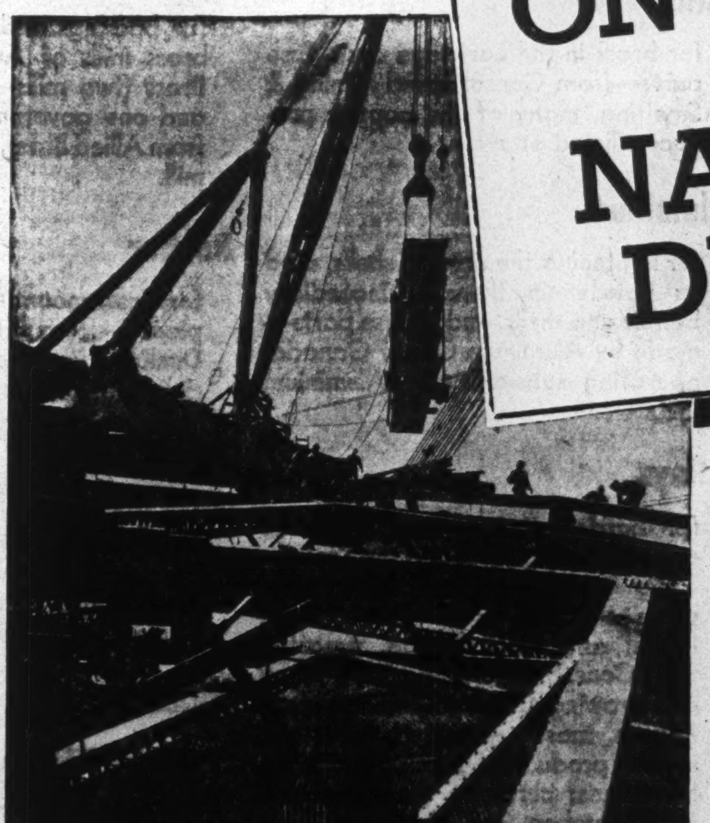
CARGO SHIPBUILDING

By Wartime Merchant Shipping Ltd. Crown company.
ORDERED .... 168 about 90%, 9,300 tons
rest 4,700 tons
PROGRESS—Two delivered, twelve outfitting, 44 building.

FOR TROOP MOVEMENT

One ordinary soldier requires 10 tons shipping.
One mechanized soldier takes 100 tons shipping.

ON THE JOB FOR NATIONAL DEFENSE



Riveters, welders, and all the personnel — plus the entire resources of the Hamilton Bridge Company are solidly backing Canada's war program.

When the last battle is won, once more the experience and the services of the Hamilton Bridge Company will be yours completely. Until then, let us all to the task to win!

Ask

HAMILTON BRIDGE COMPANY LIMITED
ENGINEERING - FABRICATION - ERECTION
HAMILTON, ONT. VANCOUVER, B.C.

Big Stream of Rifles and Machine Guns Gathers Speed

Canadian Plants Turn Out Torrent of Small Arms

Over the tortuous Burma road the first direct aid from North America to China was a shipment of Canadian - built Bren guns. Wherever the United Nations are fighting Canadian machine guns such as the Bren are chattering their song for freedom.

From the swift wings of Hurricanes, Canadian-built Browning machine guns are being trained on Nazi targets.

Into the hands of Commando troops are going the brand-new power - packed Sten sub - machine guns built in Canada.

To the armed forces of the United Nations is going a tremendous flow of Canadian-built rifles.

Newest member of the Canadian-built list of automatic arms is the Sten sub-machine gun. An entirely new development of this war, drawings for Sten production did not arrive in Canada until Aug., 1941; the first completed Stens started to come off the assembly line last month.

Production of this brand-new type is at a government-owned plant located in Ontario where some 2,500 workers are turning out thousands of rifles as well as the Stens.

Only Five Pounds

Using 9 mm. calibre ammunition, the Sten is an entirely new design of sub-machine-gun particularly designed for assault troops where lightness and compactness is essential. It is claimed that no matter how much equipment a soldier is carrying there is always room to sling a Sten over his shoulder. Against a rifle weight of some nine lbs. the Sten weighs about five pounds.

Of all metal construction the Sten substitutes steel for the familiar wooden stock. Its cheapness is another important factor, against about $50 for a rifle. For its size and light construction this gun has a tremendously impressive rate of fire—for a magazine burst it fires at a rate of about 450 to 500 rounds per minute, allowing time for changing magazines it can maintain a fire rate of about 200 rounds a minute.

Most familiar Canadian automatic gun is the Bren, now pouring out of the plant of John Inglis Co.

The Bren is one of the most modern developments of the automatic gun principle that came in response to demand for increased fire power. Early weapons trying to meet this demand used multiple barrels on a single mount which could be fired simultaneously while other developments permitted firing of multiple barrels successively, all these were very heavy and cumbersome. First practicable machine gun was invented by Dr. Gatling of Chicago about the time of the American Civil War but even this version included a hand crank.

First to Use Recoil

In 1884 Sir Hiram Maxim brought out the first truly automatic machine gun. This used a single barrel and utilized the recoil principle to secure continuous functioning. This invention revolutionized military tactics and stimulated development of other automatic types. In 1889 John M. Browning invented the Colt machine gun using the gas operation principle and this was followed by the Hotchkiss, using the same system.

In mechanisms which operate on the recoil principle the gun barrel recoils to the rear under pressure of the powder gases as does a cannon mounted on an artillery carriage; the movement in recoil unlocks the breech and actuates the related mechanisms.

The gas operated types use a small portion of the powder gases in the barrel to actuate a piston, slide or lever. The resulting motion of the part unlocks the bolt from the non-recoiling barrel, carries the bolt to the rear and transmits the energy for all the required operations. The gas may be diverted through a small vent in the barrel or tapped at the muzzle.

Photo—Public Information.

Little Miracle Weapon

Brand-new development of this war is the Sten sub-machine gun now in quantity production in Canada. Of all metal construction the Sten weighs only some five pounds, is designed specially for parachute troops. For its size and weight this new style "tommy gun" packs a terrific wallop, can actually fire a magazine burst at the rate of 450 to 500 rounds a minute.

Cooling a Problem

Because of weight limitations, a really efficient cooling system is not practicable. Water cooling is the most effective system but a supply of fresh water must be available to replace that boiled away while cold weather makes other cooling liquids necessary. Air cooling is simpler and lighter but not so effective as water cooling. In airplanes, cooling presents no problem owing to the air blast while on the ground best air cooling results are secured by providing heavier barrels or making provision for quick removal of hot barrels and their replacement by spares.

The heavy machine gun weighing at least 50 pounds is primarily a defensive weapon due to its weight. The need for a lighter gun was made evident in the First World War when the Lewis gun came into big play.

After many years of trial, the Bren came to final stage of development and was accepted by the British Army in 1934. The Bren weighs 21 pounds, 10 pounds lighter than the Lewis. It is fired from the shoulder but requires a rest. The standard magazine contains 30 cartridges which can be fired at a theoretical speed of 550 rounds a minute, but the time taken in changing magazines reduces the effective firing rate to about 120 rounds per minute. There is also a 100-round magazine.

The Bren is of the gas operated type and cooling is secured by changing the barrel. This is an operation which can be carried out in seconds without using tools, the wooden handle on top of the barrel is not only for carrying the gun but also for catching hold of the barrel when it is hot. Some further idea of the simplicity of the gun may be gathered from the fact that the entire gun may be disassembled and reassembled with no tools other than a cartridge; and even this is not strictly necessary.

That simplicity is something of a major engineering achievement for there are actually 163 parts of a Bren. Its manufacture requires 600 machine tools; 17,600 fixtures, tools and gauges and 2,850 operations. The breech block alone measures only 4¾ inches in length, 1.21 inches in thickness and less than 2 inches in total width in the rough forged condition, yet its operation chart calls for 104 separate operations.

A single Bren costs about $325. Replacement of British Brens with Canadian-built versions is now well advanced with the Canadian Corps.

Brownings by Inglis

In this same Inglis plant, incidentally the largest automatic arms plant in the Empire, Browning machine guns are also being produced.

This Browning is a recoil-operated, air-cooled gun with a rate of fire of around 1,200 rounds per minute of .303 calibre ammunition.

Helping to build these guns are some 8,000 employees at the John Inglis plant.

Rifle Output

In an Ontario plant, along with the Sten there is being produced many thousands of army rifles monthly.

Known to the public as Lee-Enfields, the militarists claim that this is a misnomer, themselves call it the Rifle No. 4 Mark 1. This is really a streamlined redesigned version of the famous Lee-Enfield of the First World War. Weight is about the same at a little over nine pounds, but the general contours have been whipped into smoother lines, the rear sight has been moved from the barrel to a point at the rear of the breech.

The plant got into mass rifle production around the middle of last year, two months ahead of schedule. In mid-1940 the plant got under way from a standing start with nothing but specifications and instructions from England. Some idea of that achievement is seen in the fact that each rifle consists of 96 parts requiring great accuracy in production, tolerances running as fine as half a thousandth of an inch on some parts. Over 1,200 separate operations are required to make the gun.

Machining, fabrication and assembly of the Rifle No. 4 is being carried out almost entirely at the plant. Some small parts come from Canadian plants equipped to produce them economically but the main metal sections are completely machined and fitted at the shop itself. A special woodworking shop does all the cutting and shaping of the rifle's wooden parts.

Mass Production

Ross rifles were produced in Canada during the First World War, but this is the first rifle plant to get into production in this battle and is the first to use mass production methods. This latter is one of the most striking features of the whole operation for despite the thousands of rifles being produced there is no such thing as a gunsmith at the plant.

The rifle was designed and laid out in the same way as a motor car. The plans were taken and the plant tooled up. What makes production without skilled labor possible is the tooling of machines which have fixtures so designed that the part is placed in it, a button is pushed or a lever pulled and the foolproof machines do the rest. Machinists and toolmakers have taken the place of gunsmiths.

The war has brought to Canada new industries in the field of gun making but starting from scratch Canadian technical skill and production methods have brought these industries in breathless time to a point where they are spewing forth their sleek, hard-hitting weapons in ever-increasing numbers to fight the Axis on every front.

Keep Up the Circulation To Save Steel Drums

Do you buy oil products in steel barrels? Are there any steel barrels lying idle around your plant?

Without adequate supplies of hundreds of different petroleum products Canada's great war production programme would bog down hopelessly. A large volume of petroleum products is shipped in steel barrels. Air fields, railroads, manufacturing plants, mines, logging operators, fishermen, contractors, farmers are some of the large purchasers of lubricants, fuel, etc. in this type of container.

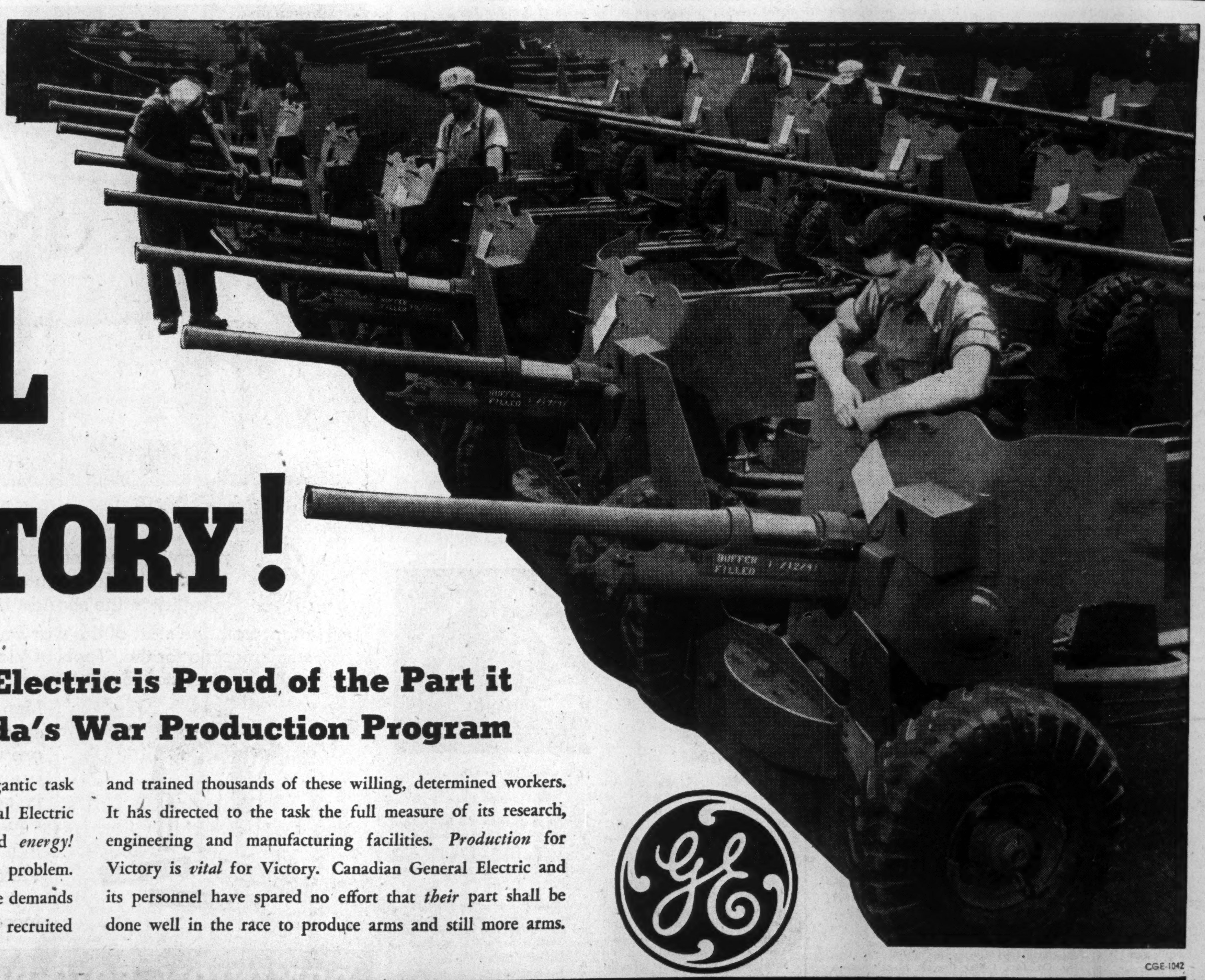
Today, every pound of available steel in Canada is being used to manufacture munitions of war—tanks, guns, ships, planes, shells and other articles vital to an all-out war effort. Consequently, steel is no longer available for the manufacture of the steel barrels in which oil products of various kinds are shipped.

As a result the present supply of steel barrels must be made to last—and to work overtime. Now that new barrels cannot be obtained it is unpatriotic to allow barrels to drift out of circulation. Every barrel should be returned promptly — and barrels that are being used for other purposes should be put back into the service for which they were intended, the transportation of oil products essential for the prosecution of the war.

Royal Australian Air Force is now over 60,000 strong — 20 times its strength at the outbreak of war. Soon it will have more men than the A.I.F. abroad — and the sky is the limit.

Boys of 16 are being recruited as bomb-spotters in New South Wales, Australia, because of their keen eyesight.

VITAL for VICTORY!



Canadian General Electric is Proud of the Part it is Playing in Canada's War Production Program

PRODUCTION FOR VICTORY—that is the gigantic task to which the men and women of Canadian General Electric are directing their *experience, determination* and *energy!* Already they have shown themselves equal to the problem. Already they have made many sacrifices. To meet the demands of Canada's war production program, C.G.E. has recruited and trained thousands of these willing, determined workers. It has directed to the task the full measure of its research, engineering and manufacturing facilities. *Production* for Victory is *vital* for Victory. Canadian General Electric and its personnel have spared no effort that *their* part shall be done well in the race to produce arms and still more arms.

CGE-1042

CANADIAN GENERAL ELECTRIC CO., LIMITED
HEAD OFFICE: TORONTO

Canada Producing 30 Shell Types

Dominion in Spotlight For New Production Method

Tremendous strides have been made in production of shells in Canada since August, 1936, when National Steel Car secured the first "educational order."

Today Canada's shell industry embraces a large number of firms from coast to coast, comparing most favorably with similar industries in the United Kingdom and the United States.

Shell production in 1942 is a far different proposition from the last war. While shell production has only relatively recently been re-established in Canada, this country's industry is modern in every respect. The number of plants engaged in turning out shells is smaller than in the last war, but new methods have increased productivity per plant tremendously. And today Canada is not only turning out the shell, but is furnishing the completely filled rounds, including fuses, gaines and primers.

Eliminate Boring

In the last war, the inside of a shell had to be bored out. Now shells are forged—at a huge saving in metals, alloys and machine time. Shell noses are also being forged in.

To Canadians goes the credit of developing one of the chief present-day methods of turning out shells—a method which has been taken over both in the United Kingdom and the United States.

"One-shot" Method

The "all-Canadian" process is known as the "one-shot method." It is something like what happens when putting on the finger of an inside out glove. It's called the extrusion forging method where the inner metal of a steel billet is forced ahead to become a further part of the outer shell casing. An efficient and ultra-modern method of shell production, it is only exceeded in popularity in Canada by the "pierce and draw" method. This latter method of shell forging involves piercing the steel billet, followed by the use of a long punch which pulls the outside steel back over a number of outside dies. A third method of shell forging in use in Canada is known as the "upset method" which is characterized by six or seven stages involving the use of a number of punches of different lengths.

Forging is used in the production of practically all shells in Canada except the 40 mm. anti-aircraft shell and a few smaller shells which still remain machine jobs.

Fortunately for rapid production of shells, a small plant may prove as satisfactory as a larger one. Compared with small arms production, a relatively small number of machines is necessary.

A number of Canadian firms are turning out more than one type of shell.

National Steel Car turns out four types, while Massey-Harris turns out three.

In some cases one firm may do the initial forging and another may do the machining.

The capital assistance provided by the Dominion government has undoubtedly been important in expanding shell production.

While machining is still being carried on for the outside of the ordinary artillery shell, machining itself has become a vastly different business. It is now being carried out on a single purpose machine. These machines have an enormously increased capacity for work compared with their counterparts of the last war. They carry out a succession of operations in one minute or less per shell.

All the equipment being used for shell manufacture, however, is by no means new. Wherever possible, Canadian manufacturers have endeavored to use equipment already in existence to save installation of costly automatic machines. Much ingenuity has been shown and old elementary equipment has been used to advantage when the difficulty of securing new machine tools was faced. In some instances, machines have actually been taken from the scrap heap and placed in use.

Tooling up is a thing of the past (for practical purposes) in Canada's shell industry. Last November, Munitions and Supply Minister C. D. Howe stated that more than 9 million shells had been delivered in twenty different sizes. Capacity at that time was 1.2 million shells per month. A few weeks ago, Mr. Howe stated that we were shipping 1.5 million shells a month indicating a further increase in munition output.

Brass is used for shell cases and the increase in the production of brass in Canada gives some indication of the rate at which shell output has been expanding. Today brass production is 1,000% higher than immediately prior to the war. It is thought that output may have to be expanded to 1,500% higher than the pre-war average.

Today some 30 different types of shell are being turned out in Canada, exclusive of "shot" for anti-tank guns. A number of the different types of shell being turned out are listed below:

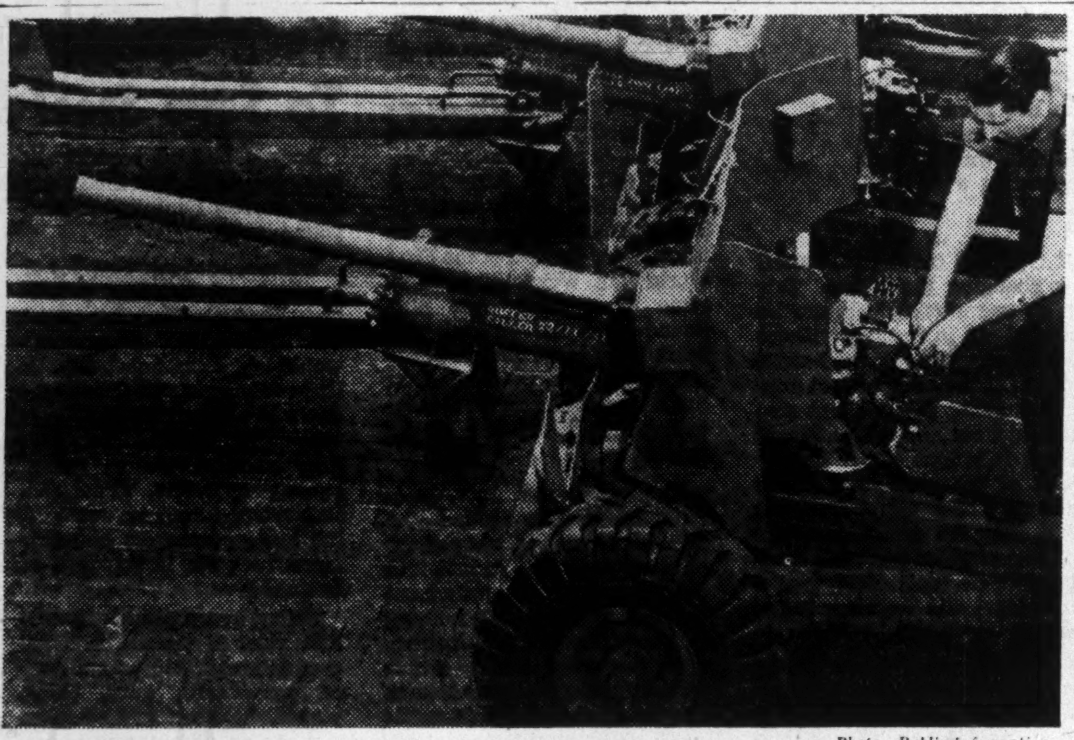
2 pdr. armor-piercing (shot)
40 mm. anti-aircraft (for Bofors)
6 pdr. tank shell
75 mm. (tanks and field guns)
18 pdr. field piece
3.45-in. (25 pounder)
25 pdr. smoke shell
3.7-inch anti-aircraft
4-inch naval
4.5-inch howitzer
5.5-inch howitzer
6-inch howitzer
7.2-inch howitzer
9.2-inch howitzer

The average shell being turned out is a considerably different product from that used in the last war. In this war, no shrapnel shells are being used, high explosive shells having taken their place. The high explosive shell in use possesses thicker walls and is filled with a larger charge of explosives since no shrapnel charge is included. The charge inside the shell has become TNT instead of lyddite. Armor-piercing shells and shot have become the rule due to large-scale use of tanks and improved armor plate on ships. Metallurgy has developed methods of hardening shot noses to give armor-piercing hardness while the body remains tough but softer. This means that hard-to-get alloy elements are not necessary to secure armor-piercing qualities.

In anti-tank shot, tungsten is something preferred to give a hard tip.

Canada has played an important part in turning out shell-manufacturing machinery. The Canadian-produced Hepburn lathe has proven one of the most successful and is not only in use in Canada, but also in England, Australia and India. This very important lathe can be made in a shop not necessarily a machine tool shop, a real consideration when a bottleneck exists in the machine tool industry.

Weapons "made in Canada" are in use in many battle fronts throughout the world and will undoubtedly be going forward in ever-increasing quantities. Accompanying them will go supplies of Canadian shells, made by Canadian workmen using Canadian materials.



Photo—Public Information.

We Make Two Anti-tank Guns

In quantity production are hard-hitting two-pounder and six-pounder anti-tank guns at two widely separated Canadian plants. The two-pounders shown above consist of 500 separate parts and cost close to $7,500. Through the seven-foot barrel is fired a solid shot designed to rip into the interior of a tank or destroy its metal tracks. Firepower is the prime requisite for this type of gun and that means high muzzle velocity; the gun must also be able to be quickly prepared for action. Those needs add up to a job that requires a high degree of skill in machining and assembly. Canadian manufacturing efficiency is here again fully up to the mark.

'Ash-cans' are Sub Killers

Ugly But Effective are the Depth Charges of Coastal Patrol

When those curious guns that hurl depth charges from the sterns of naval craft spring into action, Canada is striking another blow at Nazism.

A peacetime factory in western Canada which turns out eavestroughs, water tanks, steam tables, and similar commercial products, took on the job of making thousands of depth charges. Faced with problems of construction, assembly, and testing, that would baffle hardy experts in depth-charge manufacture, Canadian craftsmen met specifications on time.

The sailors call depth charges "ashcans." The concussion from their explosion beats against the steel skins of the underwater wolves, and smashes them open. Their actual use seems simple, almost as simple as their construction but on examination their construction is far from simple.

To make an "ashcan" you take a piece of sheet steel about two and a half by four and a half feet. You put it into a pair of shears for trimming, into a set of rollers for curving, and before you know it you have a depth charge under way. Ends are sealed into place.

These ends are the unique feature of depth charges. It is necessary that the firing mechanism and the primary explosive charge be separate from the main explosive charge. This is done by passing a large hollow tube from end to end of the body, as if it were the axle of a roller. The detonators are in this tube.

The main body of the depth charge, which must be waterproof, surrounds the detonating apparatus. When the charge plunges beneath the waves and drops down toward the enemy, water pressure acts upon the firing device, sets it off, explodes the death-dealing contents. The Nazi submarine oil that rises to the surface is a consequence of Canadian workmanship.

Steel, rubber, paints, and shellac go into the manufacture of depth charge cases. Factories in Montreal, Hamilton, Welland, Winnipeg help to supply materials to the men who now make a weapon of war instead of eavestrough.

They overcame many initial difficulties. It was necessary to install special heating apparatus, special tanks for treating the metal canisters, special trucks for handling the cases immediately after they had been painted, special racks for welding on the metal lifting rings.

The care with which each part is tested and assembled is remarkable. Even each lifting ring is given a half-ton tug to see that no flaw will mar the performance of the charge. The cases are vacuumed inside before a coat of shellac is applied. A pressure water tank tests for the most minute leak. Absolute perfection is the watchword before the cases move to the explosive plant for filling.

There is no weapon quite as ridiculous looking as a depth charge, yet there is no weapon quite as important in the Battle of the Atlantic.

No Gasoline Rationing for Arctic Areas

The Yukon and the Northwest Territories are exempt from gasoline rationing. Hon. C. D. Howe, Minister of Munitions and Supply pointed out that the total sales in those areas are too small to justify the expensive administrative machinery which would be necessary in applying the rationing system. But the first order issued by G. C. Cottrelle, Oil Controller, prohibiting the establishment of new service stations or the installation of additional pumps or tanks does

Largest employer in Australia is now the Federal Government—11,700 in 1939, 58,000 in 1941—and still rising.

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THIS year marks the 300th anniversary of Sorel and the 10th anniversary of Sorel Steel Foundries Limited.

Since the very beginning Sorel has been a centre of maritime and industrial activity. At the present time, it is known throughout the Continent for its shipyards, gun plant, foundry and other industries.

Sorel Steel Foundries Ltd., have been among the leaders in this expansion and their manganese and other alloy steel castings are worthy products of this highly modernized city.

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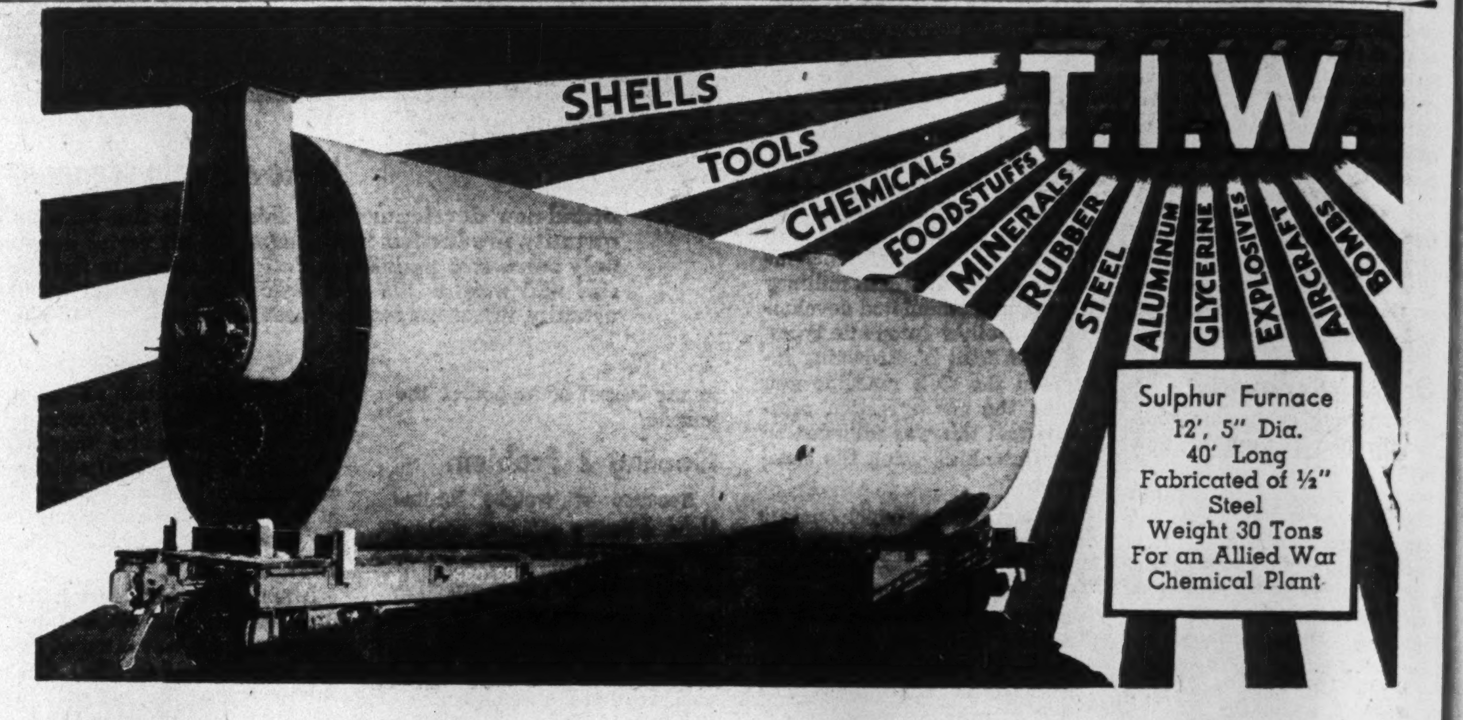

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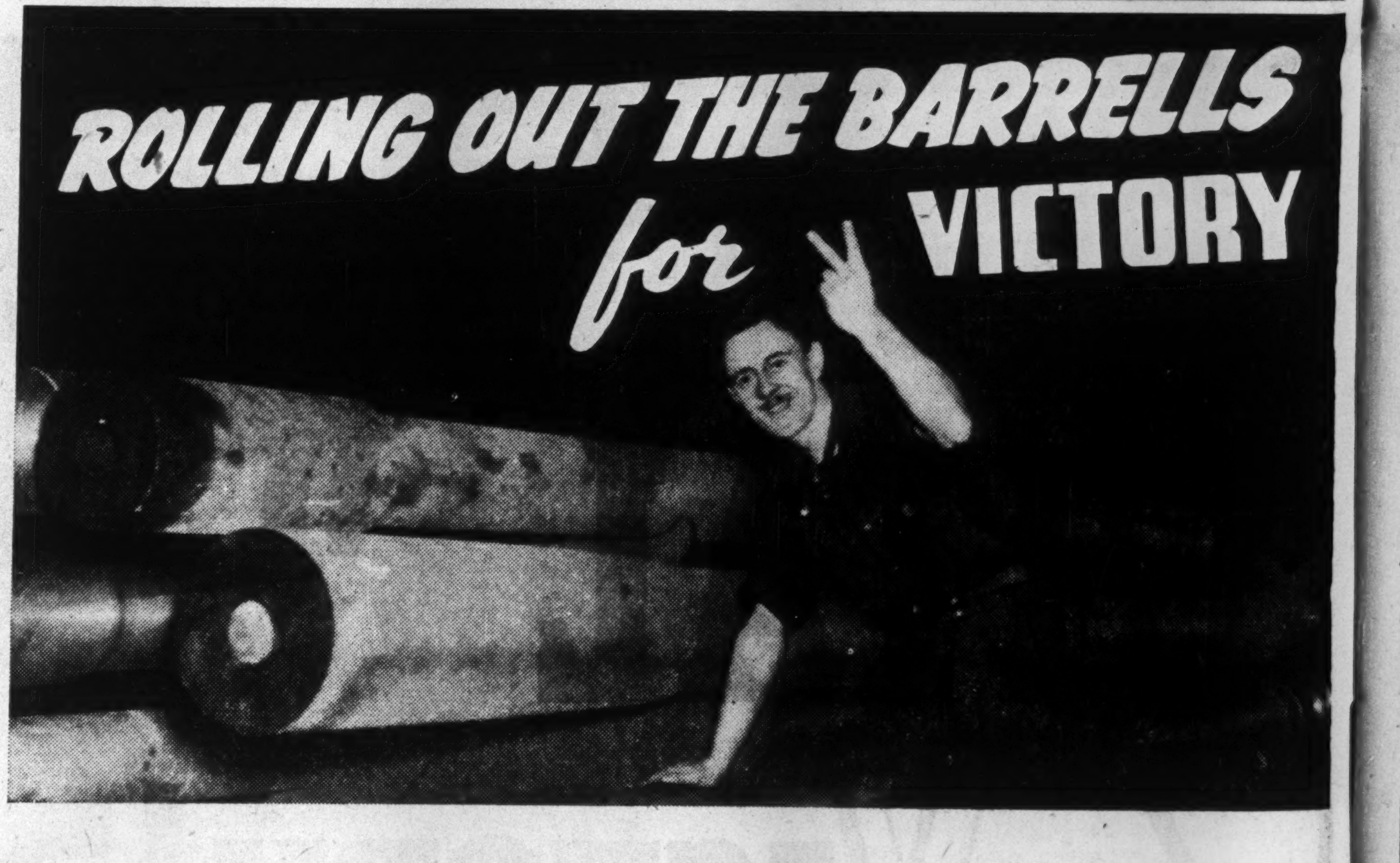

In peacetime making good steel was Dofasco's pride. Now, however, while maintaining quality, it is a matter of plain duty to produce the greatest quantity in the shortest time.

Right from the start of the war Dofasco has given its utmost to making all the steel possible for the "Tools of Victory", including armour plate, bullet-proof plate, armour steel castings and guns!

Men of Dofasco have laboured day and night, seven days a week without interruption. They are resolved that as far as their own products are concerned, no member of the armed forces is going to risk his life for lack of proper equipment.

In this gigantic battle for increased production, Victory's needs must come first. We believe not a customer would have it otherwise, despite the inconvenience it may cause him.

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HAMILTON • CANADA

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Canada's Anti-aircraft Guns

Dominion Plants are Now Doing Large-scale and Extraordinary Jobs

One thing this war has demonstrated is the importance of power in the air in driving for victory.

Great publicity has been given to the effectiveness of high level bombing by heavy planes. Flying perhaps as high as 40,000 ft., these planes are supposed to be above the effective range of fighter aircraft and anti-aircraft guns.

But their supposed immunity does not last for long. Latest types of anti-aircraft guns can shoot effectively to 40,000 ft. or more.

Most publicized anti-aircraft gun has been the Bofors, a Swedish invention which has been made in Canada since last summer. The Bofors is a quick-firing gun, with a range which places it intermediately between the heavy 3.7 in. or 4.5 in. long range gun and the quick-firing machine gun used for defense against low-flying planes.

The third general type of anti-aircraft gun is the quick-firing machine gun which may be adopted for various uses whether on the land or on the sea. It has variations and may be used in multiple units or in a somewhat heavier style to fire a 2-pounder shell.

Bofors Came First

Canada is now making the Bofors 40-mm gun in fairly large and growing quantities. Complete with mounting, this Bofors gun costs about $25,000. It can fire 40-mm shells in rapid bursts in speeds approximating 120 rounds per minute.

First order placed in Canada for this gun was for barrels to Otis-Fensom Elevator Co.

The order was extended and shortly after the company started production in July, 1940, it was asked to make the mounts complete and began to turn these out last fall.

Canadian Machinery & Manufacturing News in its March issue gives a lot of details of the manufacturing processes for the Bofors and several other types of anti-aircraft guns and mountings. These articles are the most complete that have been published on the subject and are of especial interest to those whose attention is directed toward the technical phases of manufacturing processes. For a considerable portion of the details in this story, The Financial Post is indebted to Canadian Machinery.

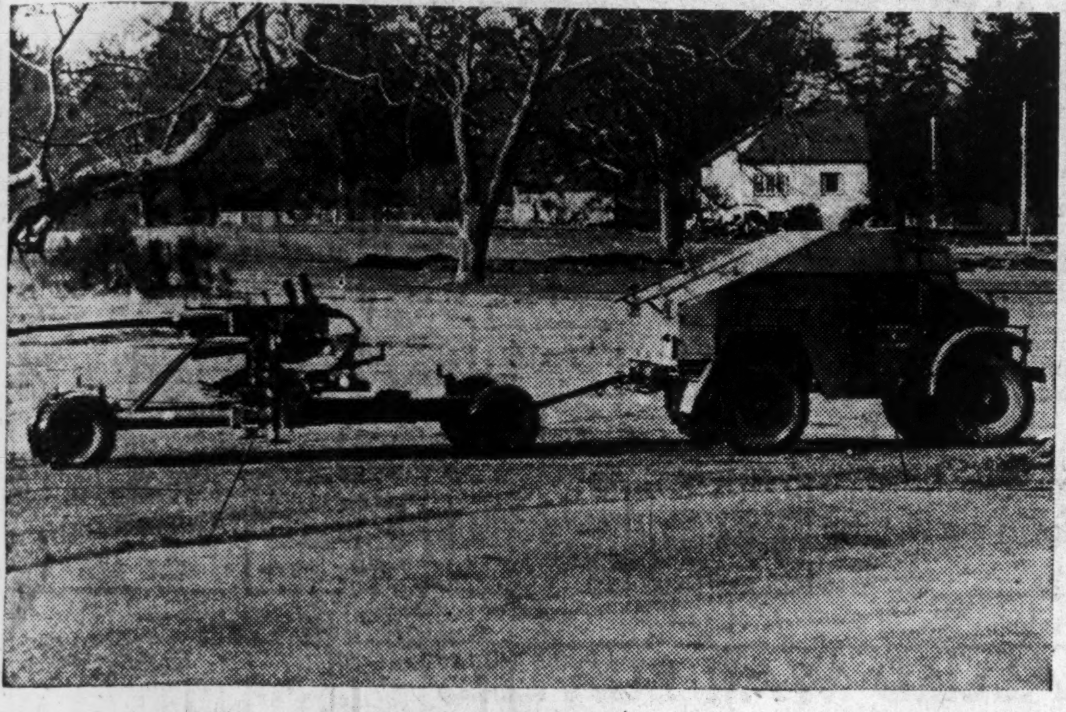
Rough forgings for the barrels of the Bofors anti-aircraft gun being made by Otis-Fensom come from Atlas Steels.

This gun is highly mobile, being mounted on a welded steel carriage which is equipped with pneumatic tires, permitting it to be towed rapidly across country. The gun is controlled in action by crew members who operate crank mechanism to turn or aim the gun. It revolves on a large diameter ball thrust bearing connected by complicated gearings with the crank mechanism operated by the gun crew members.

It can be fired either singly or in batteries and connected to an extremely ingenious predictor mechanism using either a sound or radio pick-up. The work of the predictor mechanism is to follow the course of the enemy plane and aim the gun at the correct spot in the sky at all times.

Predictors determine the present position of the plane, calculate its angular rate of approach and convert this into a probable future position where it is hoped a shell from the Bofors will meet the approaching enemy aircraft.

The gun can be set for single shot or for continuous firing. It is loaded by shells in clips and, as loading of magazines can accompany the firing, a continuous burst of fire can be maintained so long as the barrel of the gun will stand the heat generated. Provision is made for easy changing of barrels and extra barrels are standard equipment with each gun.



Photo—Public Information.

Canada Makes Famous Guns

In ever-growing numbers, Bofors anti-aircraft guns are coming off a giant Canadian production line. A rapid-firing gun of medium range, this one stands ready to hurl 140 shells a minute at any raider on our Pacific shores. It is being hauled into position by a Canadian-made gun tractor.

Highly flexible in its operation and use, this gun is particularly effective against relatively low flying attacks and efficiently fills the gap between the machine gun range and the range best covered by the larger anti-aircraft guns.

Also Make 3.7's

Canada is also making barrels and complete guns for the 3.7 inch anti-aircraft gun, a heavier gun than the Bofors and having a range of fire up to about 40,000 ft. It is slower in action and does not have some of the semi-automatic features which make the Bofors so effective within its limits. Its cost complete is about $75,000.

Turning out this 3.7 inch anti-aircraft gun is a joint proposition in which over 100 Canadian concerns are playing a part. Barrels come from Dominion Foundries & Steel, where they are given their first rough machining. Canadian Westinghouse and Canadian General Electric Co. are handling the assembly and doing much of the machining work on the complete guns.

Obviously more difficult to make than is the much smaller Bofors, this gun is only now getting into effective production. There are 1,200 separate parts in each gun mount alone for this 3.7 inch size.

Use "Bits and Pieces"

Twelve sub-contractors under the "bits and pieces" programme are supplying materials and parts for the mounts made by Canadian General Electric alone. The plant in which these mounts are made has a floor area of 49 acres.

Illustrative of the work involved in making this large and heavy gun is the statement by Canadian Westinghouse that in machining the barrel, the forging is reduced from an original weight of 3,000 lb. to a final weight for each barrel of 1,350 lb.

The guns are mobile and are mounted on pneumatic tires for easy transport. They have their predictor and range-finding mechanism designed and adapted for the special uses to which they are to be put.

Boosted 600%

Last December it was announced that plans had been laid to increase by 600% the monthly output of these 3.7 in. anti-aircraft guns. A capital expenditure of $9 millions was authorized to extend existing production facilities for mobile mountings and to construct a new plant which was to start immediately.

Capital assistance has been given to the major companies operating in this anti-aircraft gun building programme by the Dominion government and the United Kingdom. How much has been given for this particular job is not known, but some idea can be obtained from the statement given out approximately a year ago, since which time the gun programme has been very much enlarged.

A total of between $26 and $27 millions was set aside then and obviously does not take into consideration the $9 millions authorized last fall. Thus the size of this programme, if complete details were available, would obviously be very great indeed.

Although this is the major story of what Canada is doing in anti-aircraft gun making, it is not the whole story by any means.

In addition there are twin naval anti-aircraft mountings for 0.5 in. Vickers machine guns; mountings for a two-pounder anti-aircraft naval gun mount.

From Shoes to Guns

Bata Shoe Co. is turning out these twin naval anti-aircraft 50-calibre machine gun mounts.

These gun mounts are complicated. They accommodate two 50-calibre machine guns. The mount mechanism is armor-plated to protect the gunners and is operated by two men who elevate and aim their guns. Mechanism is operated by cranks and gears.

Another Canadian company is turning out mounts for two-pounder anti-aircraft naval guns. In peacetime this plant turned out heavy mechanical equipment and its conversion to war was aided by the fact that it had kept up its apprentice system and had trained men available.

This two-pounder naval gun is used to combat airplanes and is an automatic gun. Manufacture of this mount is a complicated and difficult job. Like other guns for similar purposes it has to be aimed and fired in any direction with the minimum of effort and the maximum of speed.

An All-purpose Gun

There is one more type of gun which can be used as an anti-aircraft gun and which is being made complete in Canada. Primarily this is a gun intended for use on the merchant marine. It is a 12-pounder naval gun which can be used against surface craft or with the muzzle depressed below the horizontal against the submarines. It is also capable of high elevation for use against aircraft in the type of mount being made in Canada.

Canadian Pacific shops are making the guns and mounts. Sawyer-Massey is mounting guns made by National Railways Munitions.

In making all of these guns Canadian industry has naturally followed British practice to a considerable extent. The guns being made are largely British design. But in many cases Canadian manufacturing methods have exceeded the best which have been developed in Great Britain. High tribute is paid to the accomplishment of Canadian industry in this phase of modern warfare.

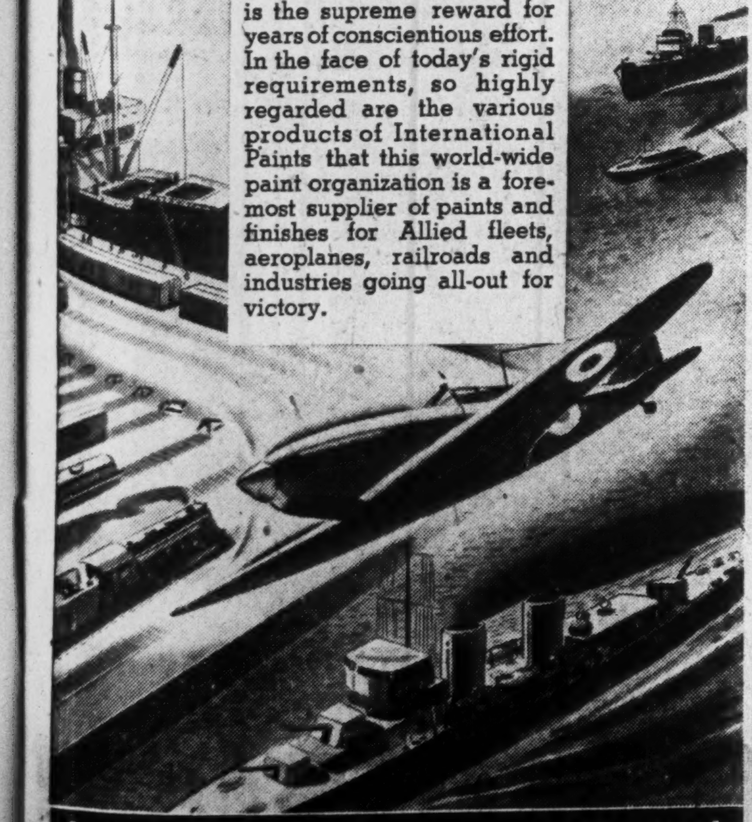
TODAY, Business is in the service of Canada and the Empire. Every working minute counts. Desks must be kept clear. Routine must be streamlined. Waste motions must be eliminated. Time and effort must be 100% productive.

That is why, when hundreds of industries turned to war work, and office transactions and records multiplied, their first thought for the handling of these transactions was the National System. They knew that a System so valuable in peace would be invaluable in war. So today, in hundreds of essential industries . . . in government, military and air force offices as well . . . the National System is serving the war behind the war . . . conserving time and effort . . . stepping up efficiency . . . providing that unfailing accuracy and absolute mechanical control so vital to important war transactions and records.

Total effort for a total war! Not only is the National System serving Canada; the National Cash Register Company is also contributing to victory by concentrating its plant facilities on basic war work.

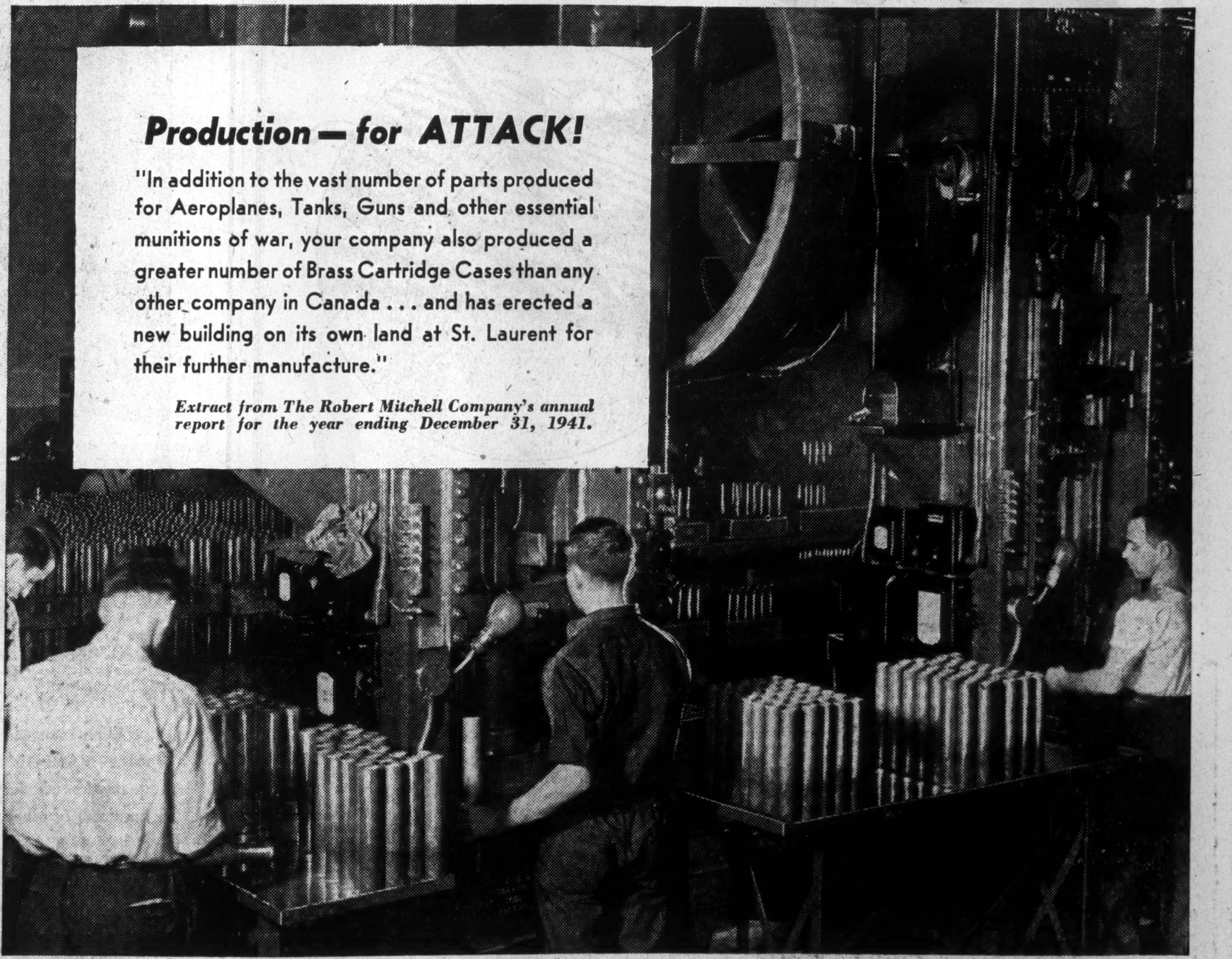
The National Cash Register Company
OF CANADA LIMITED
Head Office and Factory: TORONTO Sales Offices in All Principal Cities
Cash Registers • Typewriting-Bookkeeping Machines • Analysis Machines • Bank-Bookkeeping Machines • Check-Writing and Signing Machines • Postage-Meter Machines

READY FOR ACTION!



These are days of ruthless testing when only the best survive. For any product to be found worthy to serve in this fateful struggle — that is the supreme reward for years of conscientious effort. In the face of today's rigid requirements, so highly regarded are the various products of International Paints that this world-wide paint organization is a foremost supplier of paints and finishes for Allied fleets, aeroplanes, railroads and industries going all-out for victory.

International Paints (Canada) Limited
HALIFAX · SAINT JOHN · MONTREAL · TORONTO · WINNIPEG · VANCOUVER



Production — for ATTACK!

"In addition to the vast number of parts produced for Aeroplanes, Tanks, Guns and other essential munitions of war, your company also produced a greater number of Brass Cartridge Cases than any other company in Canada . . . and has erected a new building on its own land at St. Laurent for their further manufacture."

Extract from The Robert Mitchell Company's annual report for the year ending December 31, 1941.

THE ROBERT MITCHELL COMPANY LIMITED
Foundries: ST. LAURENT, P. Q. 1851 — 1942 Factories: MONTREAL, P. Q.
"Specialists in the Fabrication and Casting of Modern Alloys"

Blueberry Patch Now Vast Bomb Factory

Assembly Line Turns Out 100,000 of These 500 Pounders a Year

In a place in the Province of Quebec which used to be a blueberry patch Canada now has one of the world's largest aerial bomb factories.

Name of the company is Electric Steels, Limited. In the official government records it is "debited" with having received capital assistance of $2½ millions. In the United Nations arsenal it is credited with doing as outstanding a job as anything in Canada's war effort.

The story really started before the war began. In the summer of 1939, a group of Canadian industrialists visited Great Britain to see at first hand what sort of production for defense was being done "over there," and to see, as well, how Canadian plants, Canadian ingenuity and Canadian resources might tie in with that effort.

The trip made a great impression on these men — especially on E. Holt Gurney, who had worked his way up to the top of the family business, Gurney Foundry at Toronto. Before another year had passed, Holt Gurney had been asked to break new ground in Canada's war programme. His job was to produce bombs—500 lb. bombs, the first of which was molded on March 7, 1941, seven months after the blueberry patch was first uprooted. Today, output is well above the rated capacity of 100,000 units per year.

The bombs are produced in assembly line fashion. At one starting point is a sand tower. At the other a scrap heap. Miniature mountains of scrap steel are picked up by a huge magnetic crane, loaded in buckets and fed continuously into the jaws of one or other of two 7-ton electric furnaces.

The sand, which is the other fork of the production line, is special molder's sand brought from Illinois and fed into huge machines which form the molds and cores for the bombs. The molding method is unique, in that four bomb shells, each weighing about 300 lb. are cast at the same time in the same box.

The molten steel is carried in over the line of molds by an overhead crane. Furnaces are charged every three hours and each one produces sufficient molten steel to make 32 bombs at each pouring.

When the molds have cooled they are taken to a shake-out machine, a huge vibrating platform which jolts the hard-baked sand from the casting and breaks up the central core. The bombs are separated, smoothed by portable grinding wheels, annealed and machined. For annealing, about 130 bombs are loaded on a steel flatcar and rolled into a vast oven heated to 1,600 degrees. This softens the steel for machining, and makes it more uniform. The steel castings which form the body of the bomb are nearly three quarters of an inch thick.

Machining is done by gigantic special lathes, one set of which cuts, drills and taps the bomb so that the tail assembly and exploders will be perfectly matched. The other line of machines handles the component base plugs. At one stage, a suspension lug which must withstand a test pull of 3,500 lb. is welded to the side of the bomb.

When machining is complete, the bomb is dipped in water, filled with air at a pressure of 30 lb. to the square inch to determine whether or not it is leak proof. From there it goes to the "de-greaser" where it is dipped in chemicals to clean it of oil, grit, steel chips or other foreign matter. Its insides are then coated with varnish and the exterior given a coat of white primer paint.

After casting of these huge steel cases, Canada's "bomb town" fills them as well. Under most elaborate precautions to prevent any foreign matter on floors, equipment, in pockets, etc., the steel bombs are unloaded and stacked for preliminary inspection. Next comes a thorough cleansing inside and out and then the bomb is upended on a special cart. The big base plug is removed and a cardboard "former" for the fuse is then inserted in the nose end and sealed firmly in place with plastic. Another "former" is fixed in the base end for the second exploder.

Actual filling is done in a building three stories in height. On the top floor is the steam-heated oven in which T.N.T., (a granular substance, similar in appearance to brown sugar) is melted and mixed. This pours down to the first floor through a combination of pipes. Valves allow the explosives to flow into the bombs—200 lb. to each.

One claim of the bomb plant is that it is one of the eight completely mechanized foundries in the world which produces the castings and delivers them to a battery of special single-purpose lathes in which both ends of the bomb are machined simultaneously.

They Must Be Accurate

Lives of fliers and ground fighters depend on smooth, steady functioning of machine guns for offense and defense. Common cause of jammed machine guns is a faulty bullet or cartridge case, against which extreme precautions are taken. In this war, most of the testing is done by automatic measurers and weighers as above, which automatically gauge the round, toss duds into separate compartments depending on whether they are over or under specifications.

Recipe For a Shell-burst

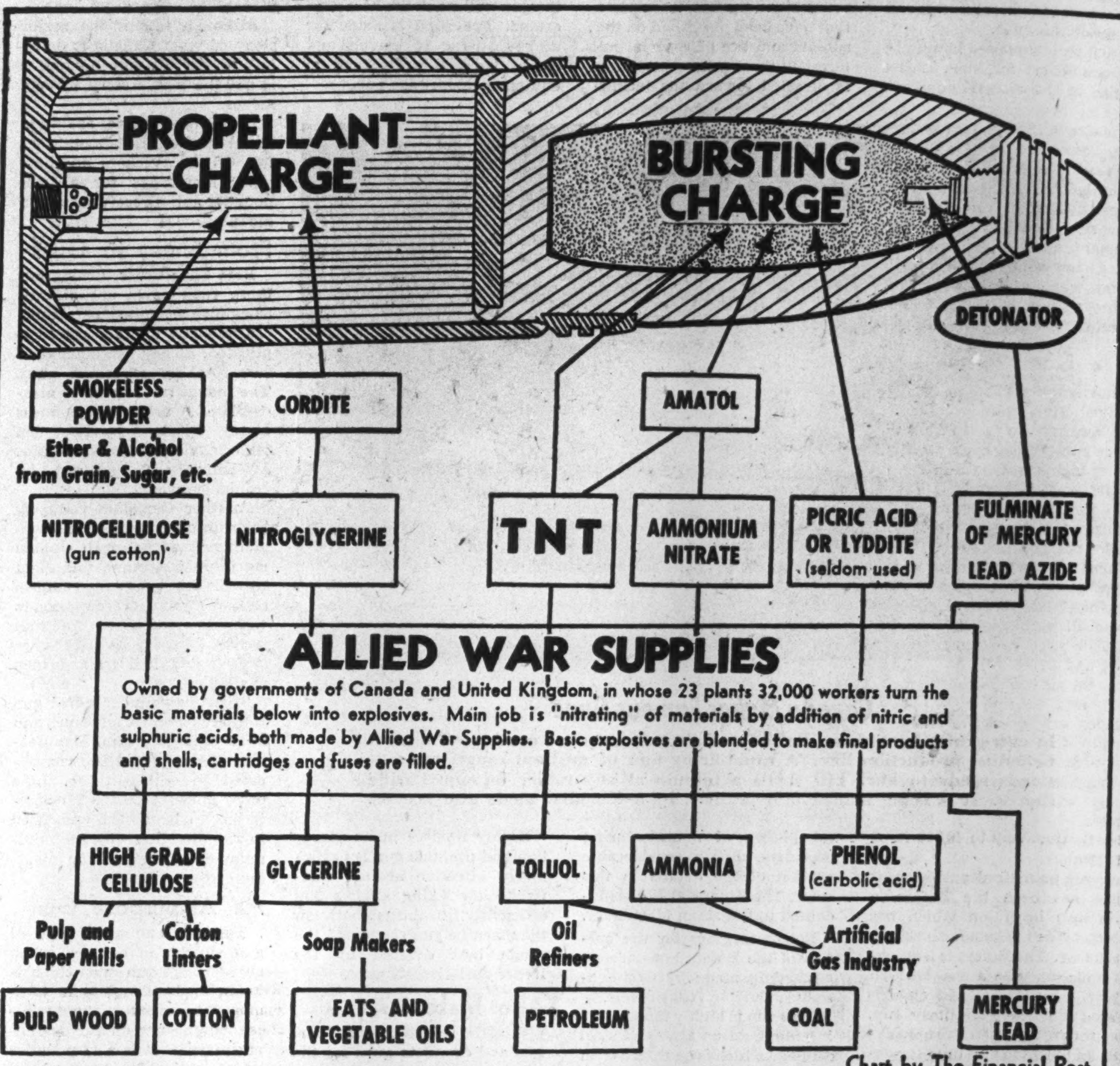
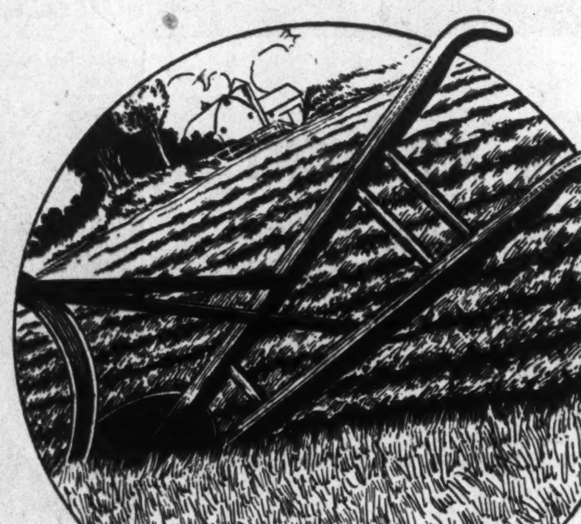


Chart by The Financial Post

Yes!

TODAY, A SWORD!



Chemistry's great ploughshares — forged to turn constructive furrows in a world's progress — have been beaten into swords. It is not our choice that this should be. Forces of evil have cast the die; it is they who have decided that destruction shall, for a time, obliterate construction; it is they who have shaped our task as one to negative evil rather than to continue in the positive progress toward good.

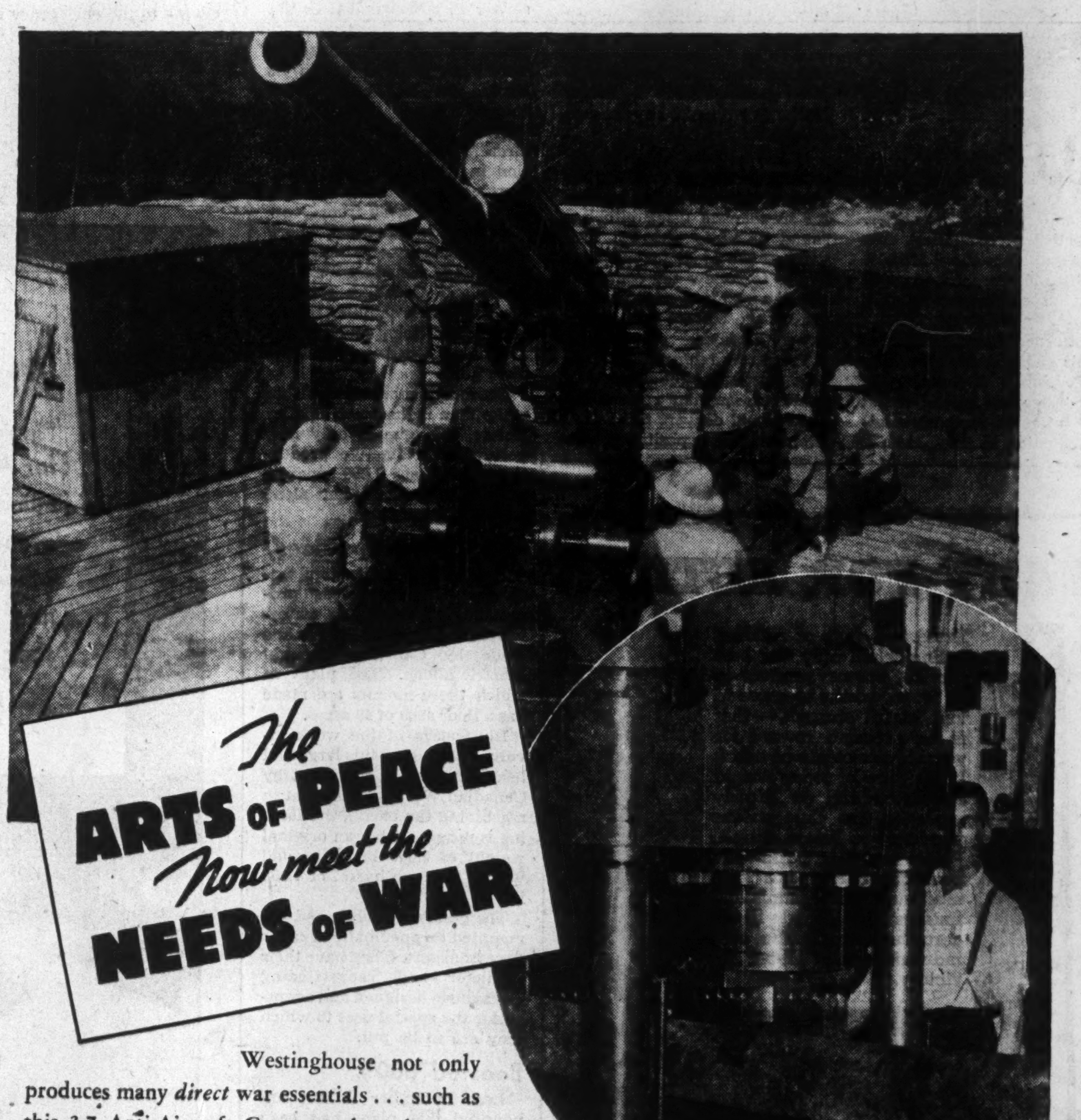
So be it. That is the world as it is! And civilization's chemistry accepts the challenge, standing firm in the attitude so ably phrased by Mr. Churchill: "The enemies . . . have asked for total war. Let us make sure they get it."

To this end, the great world-wide Monsanto organization will dedicate every resource at its command . . . striding ahead in its own vast field of endeavour . . . lending to every phase of industry all research facilities, all available aid . . .

. . . Until that day when, once again, the sword is sheathed . . . the ploughshare regains its true significance.

MONSANTO CHEMICALS

Serving Industry . . . Which Serves Mankind



Westinghouse not only produces many *direct* war essentials . . . such as this 3.7 Anti-Aircraft Gun . . . but also vast quantities of electrical equipment needed by hundreds of other wartime industries.

Precision-machining the barrel of a 3.7 A. A. Gun (shown in action, above) in one of Canadian Westinghouse plants at Hamilton, Ontario.

CANADIAN WESTINGHOUSE COMPANY LIMITED
HEAD OFFICE: HAMILTON, ONTARIO

Westinghouse

Sales Engineering Offices:
VANCOUVER, TRAIL, CALGARY, EDMONTON, REGINA, SASKATOON
WINNIPEG, FORT WILLIAM, TORONTO, SWASTIKA (Northern Ontario)
LONDON, MONTREAL, OTTAWA, QUEBEC, HALIFAX

Service and Repair Shops:
VANCOUVER, CALGARY, REGINA, WINNIPEG
TORONTO, SWASTIKA (Northern Ontario)
MONTREAL

638

Canada Speeds the 25-pounder

Modern Engineering Achieves Big Speed-up at Giant Arsenal

Because it was early under way and because it is a first-class fighting weapon, the 25-pounder gun continues to hold the spotlight on Canada's armament stage.

The guns are moving steadily from production lines at the rate of 50 or more per month. They have already seen action in several theatres of war. They are about the finest weapon this country has ever produced. They are being turned out at a fraction of the manhours required for their production anywhere else in the world.

The 25-pounder is a product of the last war. It embodies the lessons learned in that war. In its present form it is the match or superior to anything of its kind yet produced. Those who should know believe it is one of the few weapons that will see us through this war with very little change or improvement.

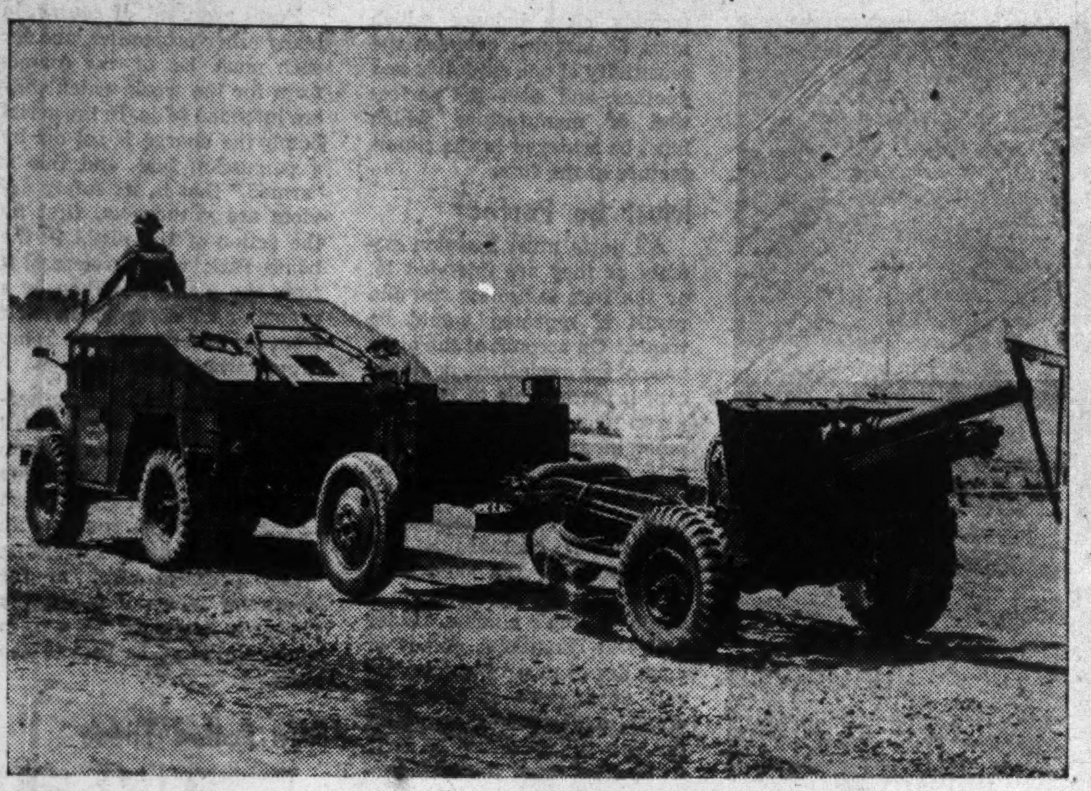
It's a Combination

Actually the weapon is a combination gun and howitzer. That means it is a multiple-charge gun. It can shoot "flat" at very high speed with lots of powder in the charge. It can "lob" its shells into the air, howitzer-fashion, with a smaller charge.

Think of this difference between "gun" and "howitzer" in terms of a baseball. If you pitch a baseball horizontally "across the plate" you need plenty of speed and drive. If you "lob" it into the air you can do it with much less energy. The 25-pounder can do both. Horizontally it has a range of 13,000 yards or 7½ miles. For "lobbing" it can be raised instantly to an angle of 40 degrees.

In the last war we had the old 18-pounder. It was just plain gun and its weight was limited by what six horses could draw easily and quickly into action. The 25-pounder is heavier because motor traction has replaced horsepower. It is primarily a field gun, the chief weapon of the field artillery. It has tough, run-flat rubber tires and can be mounted on a firing platform when in action.

The story of how the gun came to be made in Canada has been told. It was one of the weapons which Canadians were chiefly interested in when a technical mission visited England before war broke out. A Canadian firm was given the original contract to produce 100 guns for the British government under patents held by the French Schneider technicians. An engineering firm in the east designed a new factory. By New Year's eve the buildings were up and roofed. By April, 1940, the first machine was in operation.



Photo—Public Information.

Standard All-purpose Gun

Standard gun in the field this war is the 25-pounder, which combines the functions of long, low-shooting field gun and the high, lob-shots of the howitzer. Above photo of a 25-pounder being towed to the testing grounds is proof of Canada's maturing war effort. Last summer the first such guns were turned out in Canada, now they are in the hands of Canadian artillerymen at home as well as overseas.

Hit Production

The fall of France threw a nasty monkey wrench into the programme. The French technicians, fearing reprisals, lay down on the job. The Canadian and British governments stepped in, put up more money and a management committee. Then an auto organization was asked for engineering assistance. The first guns actually started to roll in July, 1941.

Today, this great plant (which has added huge naval guns to its output) covers more than 14 acres. It is the only artillery plant in Canada which produces guns and gun carriages from raw materials to finished weapons. The plant includes laboratory, power house, steel foundry, forges and presses, heat treatment and rough-finish sections, machine shop, tool room, erecting and assembly divisions, stores and a plate shop.

Vast Modern Plant

There are over 700 special machines in the plant ranging from a 2,000-ton press for forging, down to foot and a half grinders. There are more than 7,000 jigs, tools and gauges, and 10 vertical electric furnaces for tempering cannon, eight of which can handle barrels 28 ft. long. There are 40 travelling cranes.

One of the most interesting and important features of this programme has been the extensive use of "bits and pieces" in the manufacture of these guns.

The 25-pounder gun has 1,286 separate pieces and more than 300 accessories. Of these, 529 parts are sub-contracted. If it were not for the fact that the managers scattered hundreds of these "bits and pieces" among 70 firms in two provinces, the production of these guns even last summer would not have been possible. Said Manager George F. Smith:

"Owing to the emergency it was impossible to consider making all the 1,600 parts under one roof. The delivery promised on machinery, jigs, tools, fixtures, etc., precluded that. So we decided on a programme of making the major parts of the gun barrels, jackets, breech blocks, breech rings and certain other precision parts here and subletting the rest of the work to about 70 firms in Ontario and Quebec.

To handle this job the company set up a separate Vendors Management Division at Montreal in charge of W. H. Welch. This office maintains suboffices in Toronto and London. Size of its sub-contractors ranges from a two-car garage operated by its owner and two helpers and $4,000 of machinery, to a huge specially built modern shop with over $300,000 of machinery and 600 employees. Some of the plants were built for this purpose. Others had been making such things as stoves, corset stays, textiles, harvesters, pulp and paper, etc.

One of the features of the sub-contracting programme was to bring the benefit of scientific mass-production methods into scores of small tool rooms and machine shops. Cost figures show the extraordinary improvement in efficiency and saving in time and money which resulted. On one part, machining costs were cut from $46 to $13.50. A section of the gun lever assembly now costs $31.50 instead of $118 per unit.

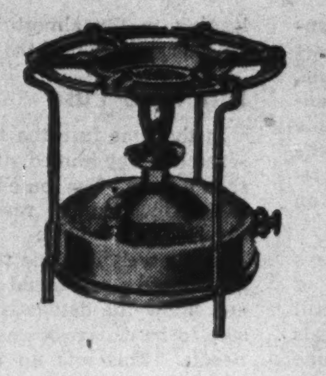
Vast Time Reduction

These savings come largely from stepping up time schedules once a production basis has been reached. One part of the gun was first made by putting 25 units at a time through the tool room. The time was 46 man hours per unit. Setting up temporary jigs and fixtures cut this to 15 hours. Now the unit goes through in one hour and 54 minutes.

The same step-up in efficiency by mass-production methods has been achieved at the main plant. One of the most important and difficult parts of the gun is being produced at 40% of the man hours required to turn out this same part in the original plant in U. K.

Total public investment in the plant is now placed at over $13 millions.

THE "SOLUS" KEROSENE WICKLESS STOVE



44 OUNCES OF PREPAREDNESS

BUILT into this compact little stove are all the essentials for providing quick heat for hot drinks, boiling water, hot food and warmth — in any emergency!

The "SOLUS" portable Kerosene stove weighs only 44 ounces (2¾ lbs.) — but it will boil a quart of water in 3 minutes.

It gives quick heat and plenty of it for cooking, heating, sterilizing.

An ideal stove for Active Service Forces, Auxiliary War Services and Civilian Relief Societies. Be prepared for any emergency with a "SOLUS."

THE COLEMAN LAMP AND STOVE CO. LIMITED
TORONTO — CANADA

Making Trucks, 'Plane Engines

When the Studebaker Corporation reaches capacity production on its present commitments for various war materials, its aggregate employment in all plants will be at a rate of at least two and one half times that for 1941, the corporation disclosed in its report to stockholders.

On the basis of present contracts, the manufacture of heavy duty military trucks and aircraft engines will constitute Studebaker's major contribution to the war effort. The Corporation contracted to construct, equip and operate for the U. S. government three plants for the manufacture of aircraft engines. These plants have been completed, the major portion of the equipment has been installed, operations have commenced and will increase so that within a few months employment in the aviation division alone will exceed the normal employment in Studebaker's automobile factories.

Eskimo Women Sew For Army

In little native villages along the Alaska coastline, hundreds of Eskimo women and children are doing their part to win the war.

Soldiers on duty in that region must be furnished with warm clothing, and the U. S. War Department has arranged to buy an additional 5,000 pairs of mukluks, (skin boots), as well as parkas (fur outer garments) and fur pants, caps and mittens.

Eskimo men hunt polar bears, wolves and seals and slaughter reindeer. The skins of these animals are taken to Nome and sold to the Skin Sewers Association, a co-operative group of native women and one man who manufacture the garments.

Founded more than a year ago by a group of about 25 native women the co-operative has expanded until now it utilizes the services of more than 300 women, many of whom are aided by their children.

Tanning the skins and cutting the garments are done at the Nome headquarters, and the work is sent out to the native villages for completion. There the native women sew the boots and garments, using reindeer sinews for thread.

A chartered corporation, the co-operative made equipment valued at $89,000 last year.

Australia Aims At Sufficiency In Newsprint

Australian Newsprint Mills Pty. Ltd., which began commercial production in April is reported now running smoothly and producing up to 480 tons of newsprint a week. With improvements now in hand it will reach designed capacity of 26,800 tons a year.

Because of rationing and desire to assist the government in conserving dollar resources (the saving at present is $1,600,000 a year) efforts are now being made to extend the production with plant to produce a further 40,000 tons a year.

This will involve expenditure of between £2,000,000 and £2,500,000; and, if accomplished, will produce practically enough newsprint for Australia on the present rationing basis.

The idea of extension is supported by all of those newspapers who are shareholders in the Newsprint Co. and other publishers who are not shareholders at present have become interested and promised substantial financial support should the project advance.

Troops Average Four Coffees Every Day

The American soldier drinks an average of four cups of coffee a day, and to assure troops overseas an adequate supply of the fresh-roasted bean, a new type portable roaster has been adopted.

The official Army ration of coffee is 45 pounds per man per year. Since each pound makes approximately 40 cups, this means the soldier drinks about 1,800 cups of coffee a year.

A Melbourne, Australia, recruit was reluctant to take off his shirt for the medical examination. He had a rising sun tattooed on his chest.

NOT THIS!

STAN-STEEL LADDERS are Safety Tested

An especially formed section, made of all-welded tubular steel makes STAN-STEEL Ladders stronger than the out-moded wooden type. STAN-STEEL Ladders do not suffer from cold, heat or hard bumps. STAN-STEEL Factory Equipment reduces fire hazards and prevents injuries.

Cut repair bills—save time and effort—install STAN-STEEL Equipment and Shop Furniture. Built to give many years of safe, hard, economical service.

OTHER STAN-STEEL PRODUCTS

Utility Hand Trucks • Bag Trucks • Warehouse Platform Trucks • Despatcher System Dead Skids • Tool Tenders Drum Tilters

For further information regarding STAN-STEEL equipment, send for new No. 11 Catalogue.

STAN-STEEL TUBE

STANDARD TUBE COMPANY LIMITED • Woodstock, Ontario

Let's Get Behind Him

SUPPORT THE National Salvage Campaign!

CANADA CALLS FOR SCRAP METAL, BONES, OLD CLOTHING AND PAPER

• Yes, all these materials are necessary to beat Hitler. They are urgently needed in the manufacture and transport of aeroplanes, explosives, tanks, guns and shells. It is your responsibility to see that these vital materials are saved and collected.

Paper salvage is particularly important to you as a business man. Your supply of paper necessary for forms, labels and office routine may be in jeopardy. Today, fibre boxes for transporting war materials and foodstuffs to the fighting forces are "musts." If salvaged paper is not available for making paperboard, it will be necessary for board mills to draw on new pulp which would otherwise be used for making the finer papers. WHAT CAN YOU DO ABOUT IT?

HERE ARE A FEW SUGGESTIONS:

1. Make sure every ounce of scrap paper in your office, plant or buildings is saved.
2. Clear out out-of-date files and advertising materials.
3. Put up posters urging employees to conserve and salvage paper. You may even want to offer a small prize for the best conservation suggestion.
4. Urge employees to cooperate with the salvage campaign in their homes and promote it among their friends.
5. Take the initiative in collection. Inform the necessary collection agency when you have paper for salvage.

H & D ORDERS FOR THE DAY... BOXES FOR BULLETS

• Right now, the package engineering facilities and experience of Hinde and Dauch are making valuable contributions in reducing damage to vital war materials "on the way over." But Hinde and Dauch are looking ahead, too, to happier days. From the many lessons taught by the vast production of boxes for defense materials, skilled technicians in the H & D Package Laboratory are planning improved corrugated packages for post-war merchandising.

CONTRIBUTED IN THE PUBLIC INTEREST BY

HINDE & DAUCH Authority on Packaging

TORONTO TRENTON MONTREAL

Fuses Do the Brainwork For the Shell in Flight

Sound, Air, Water, Vibration or Impact—All Must Work Perfectly

A shell, bomb, depth charge, or mine, may be shunted in a railway train, pitched around in a ship's hold, or be handled with no small degree of roughness by the crew which is to fire it, in the knowledge that it is loaded to the gills with TNT and yet with full confidence of its safety. An artillery shell is even fired from the gun by a cordite explosion, but except in very rare accidents does it explode prematurely.

Yet let an A.A. shell reach a certain height in the air and any aircraft for a block around it is tipped on its ear by the shattering explosion. A few feet above an enemy trench, without touching anything en route, a field gun shell sprays fragments or shrapnel over the heads of troops caught in its lethal cone. A depth charge sinks just so far in the water and off it goes. Or many a projectile explodes at the slightest touch of anything in its path.

Life Versus Death

The difference between safety and death lies in the fuse. Fuses in warfare are not as a rule the length of powder-filled tube with which the horse operas in the movies build up such tingling suspense, but, spelled by the ordnance style as "fuzes" take many forms. In an artillery shell, a conical tip from an inch to three inches in diameter built as finely as a watch, may combine two or three safety devices, released when the shell leaves the gun, and one or two mechanisms to initiate the final explosion.

How is it Done?

The "round" of propellent and shell, as it lies in the gun ready to fire, includes several different units of explosives, each with its own special purpose. In the cartridge a primer at the base is struck by the firing pin in the gun mechanism. This blow is enough to set up a flash in a small capsule, the detonator, which fires another explosive in the prime magazine and from that the propellent charge in the cartridge which starts the shell on its way.

The detonator in earlier days would contain fulminate of mercury. While this is still used, there are other chemicals now also available for the same purpose. The propellent may be cordite or other relatively slow-burning explosive which will avoid an explosion sudden enough to set off the high explosive charge in the shell. At the same time, the "bump" of this explosion will do one or two things in the fuse. Fuses may be either time fuses, set to explode the shell at a certain time after the gun is fired, or percussion fuses, which will set off the shell immediately upon touching any solid object. Some fuses combine both these functions.

Spin Makes Fuse Work

As the shell travels up the barrel, the rifling grooves in the barrel gives it a high velocity spin, which is primarily to keep the shell on its course. This spin is also utilized to release the mechanism of the fuse.

In the percussion fuse, there are three weights. The first is supported on a spring, and flies backward from what the physicist calls its "inertia," and thus uncovers a passage drilled crosswise in the fuse. Then, another force, the centrifugal force set up by the spin causes another pin to fly outwards in the fuse, and the fuse is "armed." This means that all safety devices are released, and upon striking anything in its flight of the shell, the third weight, carrying a tiny capsule of extremely unstable explosive is driven forward on a steel pin. This pierces the capsule, and causes a small flash in which starts the train of events leading to the almost instantaneous explosion of the shell.

The Time Fuse

In the time fuse the train is set under way immediately the shell is fired. The same inertia, which incidentally reaches a surprisingly large figure, causes a weight inside the fuse to collapse a soft metal stirrup and allow the detonating capsule to be driven down over a needle. This sets up a flash which travels down a channel filled with gun powder. This channel connects with two other channels cut in a ring around the fuse, which are also filled with gun powder and inter-connected. This ring is turned as needed before loading the shell in the gun, to adjust the length of the train, and thus determine the length of time from firing to igniting of the final exploding charge.

Some types of fuses combine both these features, so that if an object is struck before the full fuse time, the shell will still explode and do its work.

Very Small Amount

In most cases mentioned above, the detonating charge is so extremely unstable that it would be too dangerous to be put in any large quantity in the shell. It is, therefore, used in such small quantities as are only enough to set up a slight flash. The gun powder is a relatively slow type of exploding compound, and really only burns with a quiet flame. The final explosive requires usually a combination of a flame and a mechanical shock to set it off with any degree of certainty, so other intermediate explosions are introduced. First, a magazine in the base of the fuse converts the tiny flame of the fuse itself into a much larger one, which is in turn communicated to the gaine, or exploder. This contains a charge of detonating compound which also goes off—the entire operation, of course, almost instantaneous—and the combination is sufficient to explode the main charge in the shell.

Commandos Like Them

In the last war the trench mortar lived up to its name, was used principally in front line trenches. This war, its portability has made it a prized weapon of commandos and other assault troops. Commandos favor the 2" mortar, the 3" unit above being used for heavier work. Both have been made in Canada, many smaller industrial workshops proving ideal for their construction.

Explodes in Air

In the anti-aircraft shell another device is necessary in order to insure that the shell will explode in the air, even if it does not strike anything, because naturally the percentage of misses in this type of fire is very high. This is accomplished, in the case of shell with percussion fuses, by a simple type of time fuse train in the base of the shell, which is ignited by the propellent charge as the shell is fired from the gun. When this train has burned itself out, the exploding charge in the shell is ignited from behind and the fragments reach the ground in relatively harmless sizes and condition.

This outline will serve to show in some degree the extremely close balance which must be attained between the sensitivity of one explosive and another, and also the perfection of manufacture which must be achieved in the manufacture of the fuse.

Must be Perfect

All parts must function exactly as they are intended to, or the fuse is useless and the result if repeated would be tragic. On account of the presence of the explosives, no lubricant is permissible to keep the parts from sticking, so they must be fitted with extreme care. All moving parts must be sealed from the air, as the shell may be fired in the midst of a sand storm. No moisture may be present, as the shell must be capable of operating in a frigid or tropic climate. Under all these conditions, of hot or cold, dry or damp weather, the salt atmosphere of England's coasts, under conditions which do not allow a second try, everything must function perfectly, and everything depends on the way the fuse operates.

30-40 Parts

The burden of producing machines which will meet these conditions is placed upon the shoulders of hundreds of Canadian girls and men, and all those now engaged in making fuses for the United Nations.

Machining limits are very close indeed, and automatic machinery, while normally able to turn out the work as required, must be closely watched to see that it does not slacken in its perfection. There may be 30 or 40 parts in a fuse, apart altogether from the exploder and other elements, and all these parts must nest properly together, some of them as small as 1/16th inch in diameter and less than a quarter of an inch long. For each function, springs must all compress exactly the same amount under a given load, and all inertia parts must weigh the same to within the very small fraction of a gramme.

Fuses are used, of course, in many other projectiles, and for each must be of the correct form for the work which they are intended to do. In the aerial bomb the charge is set off by a percussion fuse, and this is "armed," that is, its safety devices are withdrawn, first by the action of the pistol in the bomb rack which releases it from the plane, and then by a propeller which unwinds itself from air pressure as the bomb drops towards its objective.

In the depth charge, the terror of the submarine, a small diaphragm, much like that in the barometer which you tap as you go out the front porch in the morning, is squeezed in under the gradually increasing water pressure until, at the depth for which it is set, the charge is detonated by a train much the same as that in the shell.

We Foiled These

Newspapers have carried mention many times of the magnetic mine and the acoustic mine used around Britain's coasts by the Germans. These were other instances of the misguided cleverness of man in applying the unfailing principles of physics and mechanics. In the first, the presence of a large mass of steel even within many feet of the magnetic field created in the mine closed electrical circuits which set off the charge.

The acoustic mine had a very sensitive eardrum which vibrated in tune with the throb of a ship's propeller, and when the ship was the desired distance away, that is, when the vibrations reached a certain strength, the mine went off.

It was not long before our scientists applied their knowledge to the development of a belt around the ship which emitted an opposing field which neutralized the working of the magnetic fuse. The airplane has proved to be one of the most successful weapons to combat the acoustic mine, setting up enough vibrations to explode the mine, but passing over quickly enough to be out of the way before the explosion could do any damage.

Army Leads Way In Developing Substitutes

Manufacturing economies which will be useful to civilian consumers long after the war is over are being developed for army use and already have resulted in reducing consumption of 125 raw materials now listed as strategic and critical, the U. S. War Department has announced.

Savings of from 120 to 150 pounds of aluminum per plane by substituting plywood for metal freight racks have been effected by the Air Corps. The Medical Corps has eliminated rubber or reduced the raw rubber content in dozens of items, ranging from erasers on lead pencils to rubber basins, blankets and mattresses.

Each branch of the army is contributing something to the study in conservation.

At the Air Corps laboratory at Wright Field, Dayton, Ohio, a new conservation section has been established. A plastic pilot's seat is being tested, to take the place of aluminum seats. One of the most impressive economies is the elimination of a ton and a half of aluminum from each of the huge trailers used for refueling bombers at army airfields. Steel will be used instead.

The Ordnance Department has successfully substituted steel for aluminum in mine fuses and bomb fuses. Steel and malleable iron have replaced aluminum in gun carriages and mounts for machine guns. With the exception of fans and motors, aluminum is being eliminated from the interiors of tanks.

ATLAS STEELS LIMITED - - WELLAND, ONTARIO
Distributors Throughout Canada and Overseas

'Peaceful' Industries Make Explosives

Soapmaker, Cotton Grower, Miner, Farmer, Others Play Vital Role

Despite all the changes in modern war, World War II will be won by explosives, just as every war has been since men stopped wearing armor.

And like every other war implement, the explosives which will win this fight are being gained by converting peacetime commodities and equipment to war use.

The industries and products which are making these explosives possible are for the most part the most peaceful of peacetime trades. The soapmaker, the cotton grower, the newsprint maker, the miner, the manufacturer of celluloid, the artificial gas producer, the oil man and the farmer all play their part.

The firms which made the explosives for mining and excavating are still the leaders of the wartime explosives industry, have directed enormous expansion programmes, but with this exception, practically all the gigantic explosives expansion is a straight case of turning plowshares into swords.

Three Main Types

For war purposes there are three main types of explosives:

The propellant, or low explosive which drives the shell or bullet out of the gun,

The bursting charge, usually high explosive that bursts the shell, and

The detonator, a "super-high" explosive that sets off the high explosive.

In Canada and the rest of the Empire the chief propellant in use is cordite. Cordite burns with little smoke, a marked advantage over the black gunpowder whose dense clouds used to give away the gunner's position. It has more kick than the smokeless powder which is very much the same powder minus nitro-glycerine. Cordite burns evenly and is relatively safe to handle.

But cordite is not invariably used as a propellant. For example some navy guns use a milder compound in order to save their gun barrels. The ideal propellant would be the one with the most driving power, but the hot swirling gases that are loosed when the gun is fired pit the barrels. A very minor increase in the size or power of the charge is sufficient to cut the life of a gun barrel in half.

Cordite Recipe Simple

Recipe for cordite is simple as to ingredients, highly complex in the cooking.

First step is the production of gun-cotton, or nitro-cellulose, which is the twin sister of common celluloid. This gun-cotton is made by taking purified cellulose, usually taken from high-grade wood pulp or cotton linters, and "nitrating" it. The nitrating is achieved by soaking the cellulose in mixed sulphuric and nitric acid. All resins and impurities have to be taken out of the cellulose before it is treated, and after the spent acid is drained off, the resulting nitro cellulose has to be carefully cleaned of all traces of the acid used.

For years gun cotton was regarded as a most dangerous and unpredictable explosive, largely because of impurities and acids left in it, which frequently made it explode in storage. Another peculiar feature of this nitro cellulose is that it is safe to handle when wet, much more dangerous when dry. Greater purity of materials and keeping the nitro cellulose damp in intermediate stages has greatly reduced accidents.

Explosive gun cotton is about 13% nitrogen. A slightly lower nitrogen content makes the basic material for celluloid, and still less gives the principal material for one type of artificial silk.

Already an explosive, the fluffy gun cotton or nitro cellulose can be used almost direct as "smokeless" powder, the principal propellant used in the U. S Army, or carried along to make cordite. As "smokeless" powder, the cellulose is treated with a solvent solution, principally alcohol and ether and then pressed into strips, or cut into flakes, having been changed in form from a more or less fluffy mass into something quite similar to celluloid. To turn the cellulose into cordite demands the addition of anywhere from a quarter to two thirds as much nitro glycerine.

To get nitro glycerine, you have to make soap out of animal or vegetable fats first, drain off the waste soapmaking solution and settle and distil out the glycerine. The glycerine by-product of soap is the reason why soap is one of the civilian materials least likely to be scarce. This glycerine, much the same as we used to get in our anti-freeze, at the drugstore and as part of the tobacco we smoked, has then to be "nitrated" in substantially the same manner as the cellulose. Technique is different because the addition of the mixed nitric and sulphuric acid generates heat, and unless the mixing vats are carefully cooled and the glycerine added to the acids slowly, the whole process is likely to get out of hand and the vat explode. Actually, in addition to the refrigerating coils, the process is controlled by squirting the glycerine into the acid through submerged nozzles. After the glycerine has been in the acid a while, it becomes nitro glycerine — the "soup" of the safe cracking burglar, and one of the most potent explosives in industrial or military use. Dynamite is nitro glycerine mixed into a paste with sawdust and dried into sticks to reduce the danger of handling the highly explosive liquid.

Photo—Public Information.

Safe as Window-washing

The cautious look is typical of workers in Canada's explosives plants, a symbol of the accident-consciousness that has made the handling of bundles of cordite as safe as window-washing. Bundles of cordite are packed in cartridges or in silk and cotton bags as above. The latter go mainly to naval guns, some of which use over a quarter of a ton in one shot.

Macaroni Style

Nitro glycerine makes up from 20 to 40% of the cordite. Combined with gun cotton, and worked into a dough, it is squeezed into the shape of macaroni, (sometimes complete with hole in the centre) or into fatter sticks, flaked into a powder, or pressed into tape.

Making the best use of cordite is an art. First, minor changes in the proportions of the ingredients make tremendous changes in its performance as a propellant. The mixture has to be perfectly adapted for the purpose for which it is to be used, and has to be made in the proper shape. Sticks of one shape might burn unevenly, fail to give the steady pressure that is needed to put the maximum drive behind a shell.

Packing Vital Art

Above everything, all explosives used as propellants have to be packed in the proper way. A propellant is a "low explosive," is designed to burn much more slowly than a "high explosive." But if the propellant is packed too tight, it will act like a high explosive and burst instead of burn. Almost all explosives will act in totally different ways under slightly changed conditions, and to a layman there appears to be no rhyme or reason to their behavior. For example, cordite in small quantities, or in large quantities spread thin, is likely to prove just as safe in the open as a like amount of gasoline. A bit of gun cotton laid on a railroad tie and touched off will burn harmlessly. But if the gun cotton is tied down with a round or two of common string and touched off, it will tear the track apart.

That sort of illogical performance runs through the whole list of explosives and the number of lives that have been lost finding out how to handle them would make a casualty list for a fair-sized war.

Outside of the touchy nature of the product, and the high degree of technical skill needed to get the right compound with safety, the production equipment for explosives is not excessively complex Compared with the intricate equipment needed in other arms production the lineup of tanks and troughs and kettles for mixing explosives is no more complex from a mechanical viewpoint than that of a modern laundry. But the precautions taken by the plant workers and designers are extremely meticulous.

Dust—the Murderous

All possibilities of dust and impurities in the processes or being brought in by employees have to be cut to the minimum. Workers wear rubber-soled shoes, in some operations their entire outer clothing is of rubber, and in many of the plants a complete change of clothing and a shower bath is required on entering the production departments.

Because the industry is so "accident-conscious," the workmen's compensation rate on an explosives worker is no higher than it is for a window washer. Other accident authorities believe that work in an explosive factory is actually considerably safer than many other industrial pursuits, largely because of the extreme precautions taken. When an accident does occur it is likely to be confined to a small section of a plant, as each danger area is protected so as to deflect the force of an explosion away from other operating units.

Making the high explosive that goes into the business end of a shell or bomb is substantially similar to that of making the propellant. Basically it consists of nitrating various components of coal tar or petroleum. Picric acid, formerly the main high explosive, was phenol (carbolic acid at the drugstore) treated with nitric and sulphuric acid in much the same way as nitro glycerine is made. Picric acid used to be called Lyddite.

But Lyddite had a nasty habit of corroding the inside of a shell if left standing too long, which varied its explosive power and often led to spontaneous explosions. Fairly early in the last war it was abandoned by Britain in favor of T.N.T., blended with another explosive to make amatol, still the standard high explosive.

T.N.T.'s full name is trinitrotoluene, which translated means toluene, trebly nitrated. Like the carbolic acid used in Lyddite, toluene comes from coal tar (sometimes from petroleum) and to turn it into T.N.T., it is made to flow down a long trough against several streams of nitric and sulphuric acid. It comes off as a liquid and is kept hot and allowed to settle to the bottom to be drained off. As it cools, it solidifies. Blended with the T.N.T. to make the standard amatol is ammonium nitrate.

High explosives differ from propellants in that they burst rather than burn. A wave of vibration is set up, gases that are held into an unwilling partnership in the solid explosive are released violently to take up 1,000 or more times their original space. The reaction is partly physical, partly chemical. The reverberations set up by one shell exploding in an ammunition dump will often set off the others without the aid of the detonator usually needed to touch off the high explosive.

These detonators are the most sensitive explosives of all. Some can be set off by being brushed with a feather. Fulminate of mercury, one of the most common, is another nitrate compound, and lead azide, the other detonator in common use is also high in nitrogen. Set in the nose of a shell or a bomb, the detonator is fired by impact or fuse and ignites the charge.

Because World War I was an artillery war to a great extent the advances in explosive technique made during its course were tremendous and the changes since have been relatively minor. Big change has been in the type of gun used, and in the bombing planes and tanks that have partially supplanted fixed artillery and small arms in delivering explosives. Incendiary bombs usually consist of a thermite filling, often in a magnesium metal case. Thermite is mainly iron oxide and aluminum powder which burns at around 3,000 deg. centigrade, and can't be smothered out since the compound generates its own oxygen. The magnesium metal casing also burns at a somewhat lower temperature.

Outside of these and a few other minor changes in product, and more streamlined production methods the explosives industry is substantially what it was in the last war — a vast organization for taking innocent materials like fats, and soaps and wood pulp and coal and completely remaking their character by the addition of a little nitrogen.

TRADE MARK
PS
REGISTERED

WHAT CAN I DO TO HELP WIN THE WAR?

Answer:

I can examine today (and every day) the expenditures over which I have control—to be sure that no order is prejudicial to national interests: I can satisfy myself that I read the repeated appeals for conservation of foreign exchange, made by those directly responsible for the war effort, without twinges of conscience. For they ask voluntary co-operation in this matter, and this co-operation, freely given, is the most important evidence I can give that I really believe in Democracy.

One thing they ask is that Canadian materials be used wherever possible: for the substitution, for instance, of Canadian woods for imported stuffs in a thousand and one industrial and structural uses. I can do this without sacrificing quality—indeed without sacrificing anything but (possibly) an easily acquired habit.

Memorandum:

For technical assistance in this kind of substitution write today to the—

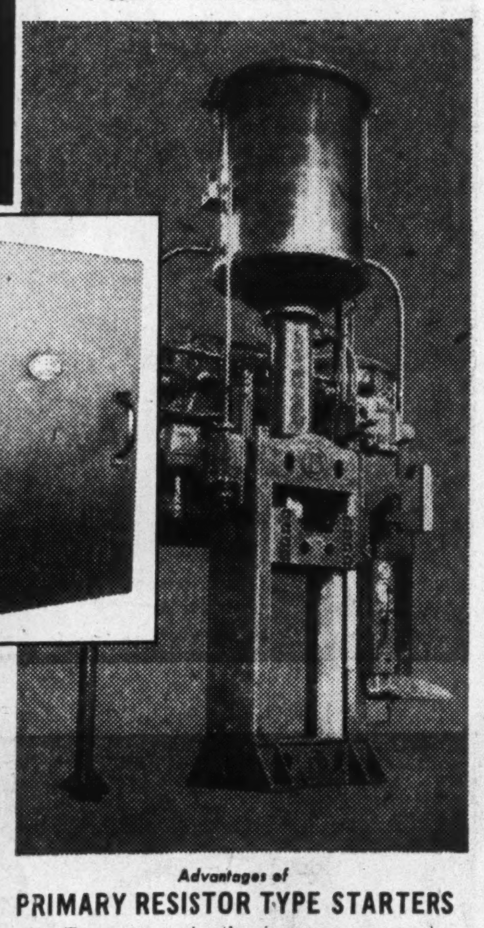
WHITE PINE BUREAU
(PINUS STROBUS)
Victoria Building - Ottawa

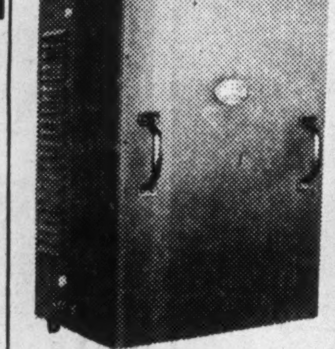
SPEEDING UP FOOD FOR THE GUNS

THE faster shells can be turned out, the sooner will the day of victory dawn. C.C.L. Control equipment, by eliminating electrical failures, mechanical breakdowns, and frequent shut-downs for replacements, is contributing substantially to a swifter tempo of production.

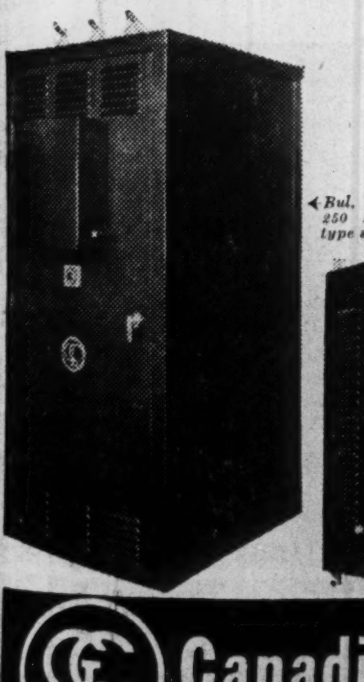
This essential war service is being rendered unfailingly, twenty-four hours a day, in hundreds of plants whose control requirements are as diversified as their output. If you have a Control problem, C.C.L. has the answer.

A 100-ton Cartridge Case Press, one of a battery in a Canadian plant individually equipped with Canadian Controllers Starters.

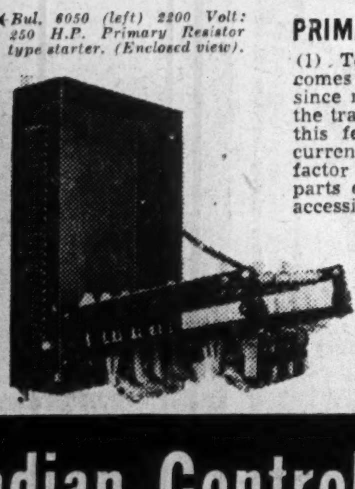




Above is an enclosed view of Bul. 6050: 100 H.P.: 550 volt reduced voltage magnetic starter as installed on each of a battery of Cartridge Case Presses (manufactured by Dominion Engineering Works, Montreal) same as that shown on right.



Bul. 6050 (left) 2200 Volt: 250 H.P. Primary Resistor type starter. (Enclosed view).



Bul. 6050: 50 H.P.: 550 Volt Primary Resistor Starter showing "swing-out" feature.

Advantages of
PRIMARY RESISTOR TYPE STARTERS

(1) Torque constantly increases as motor comes up to speed. (2) Smooth acceleration since motor circuit is not interrupted during the transfer from reduced to full voltage, and this feature also eliminates transient peak currents during this period. (3) Line Power-factor not reduced during starting. (4) All parts either at front or rear of panel easily accessible.

Manufactured and Sold by
RAILWAY and POWER ENGINEERING CORPORATION LIMITED
MONTREAL HAMILTON WINNIPEG NORANDA TORONTO NORTH BAY VANCOUVER

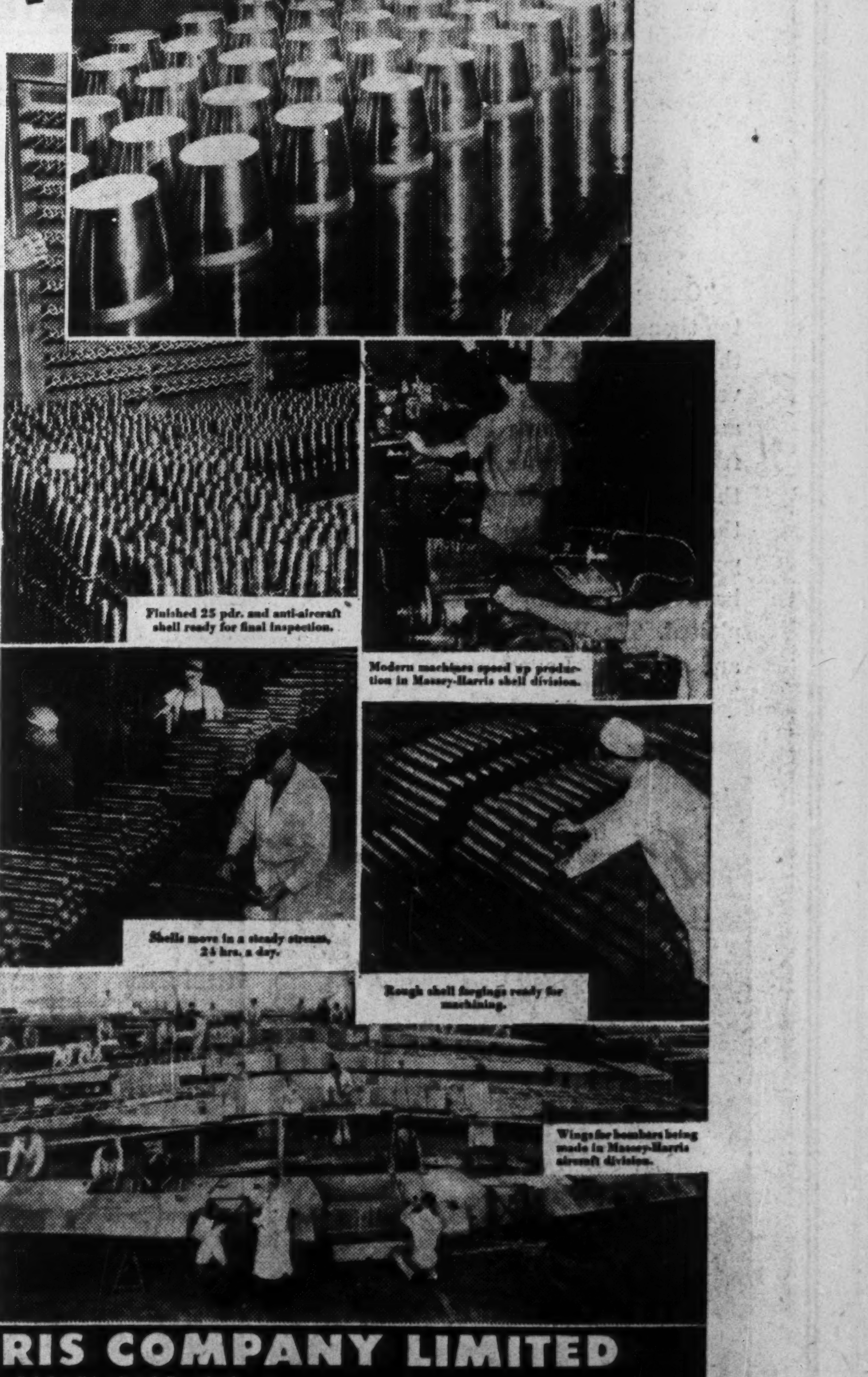
CF42-2

Canadian Controllers Limited
TORONTO, CANADA

IN THE HARVEST FIELD . .

One man can harvest fifty acres per day with Massey-Harris self-propelled combine.

AND ON THE BATTLEFIELD



Finished 25 pdr. and anti-aircraft shell ready for final inspection.

Modern machines speed up production in Massey-Harris shell division.

Shells move in a steady stream, 24 hrs. a day.

Rough shell forgings ready for machining.

Wings for bombers being made in Massey-Harris aircraft division.

MODERN EQUIPMENT WINS THE DAY

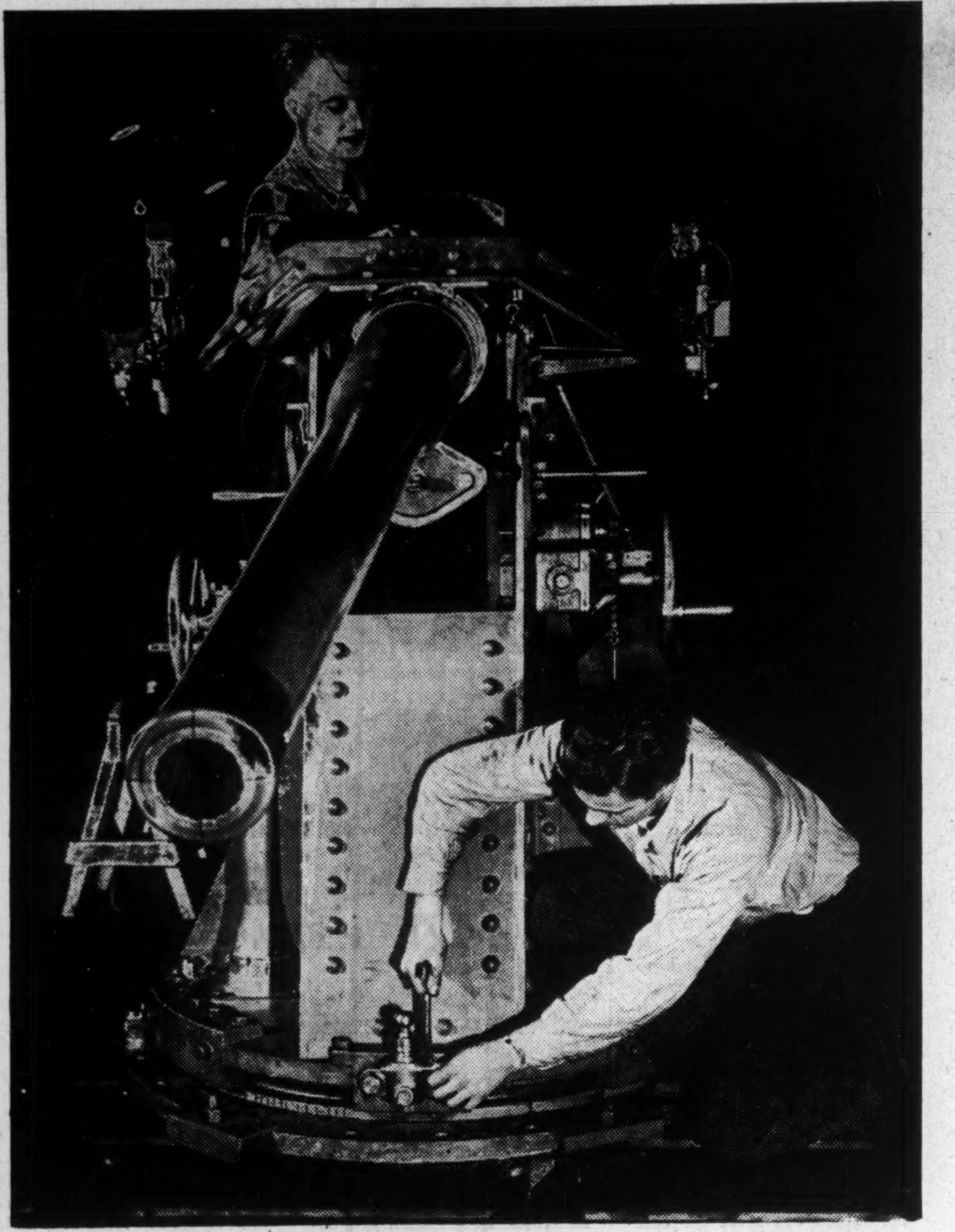
THAT the prodigious task of providing the foodstuffs for an Empire at war can be undertaken by Canadian agriculture with but little re-organization of its regular activities and with less man-power than ever before is due to the high degree of mechanization of the farm which had been reached before the outbreak of war. Fortunate, indeed, it was that we had a highly developed mechanized agriculture ready at the very outset of war to back the Empire's fighting forces.

Massey-Harris leadership in the developing and building of such labor-saving equipment for the farm is recognized throughout the world, and has resulted in an enviable reputation for this great Canadian Company wherever grain is grown.

It is but natural, therefore, that a Company with such great resources in plant, skill and experience should place its facilities at the disposal of the Government and be chosen for the production of various munitions of war. Several types of shell, aircraft wings and parts, and considerable equipment for military transports are being turned out with the skill and efficiency which have made the name Massey-Harris famed throughout the years for products of highest quality.

Massey-Harris is proud of its part in providing the implements so essential in modern farming under war conditions and in furnishing munitions and equipment so vital to the success of our fighting forces.

MASSEY-HARRIS COMPANY LIMITED
ESTABLISHED 1847
TORONTO MONTREAL MONCTON WINNIPEG BRANDON REGINA SASKATOON SWIFT CURRENT YORKTON CALGARY EDMONTON VANCOUVER



Canadian Skill Speeds Naval Guns

Canada's 1942 schedule calls for production of 1,800 naval guns, a type of output brand new to this country. This wicked-looking 12-pounder is being turned out near Montreal on a site that a year and a half ago was cow pasture. Soon these guns will start to be mounted on Canadian corvettes ready to protect merchant shipping from Axis sea raiders. Versatile is the word for this 12-pounder for on its Canadian mount it can be used against surface craft, be elevated for anti-aircraft work or depressed below the horizontal against submarines.

Canadian ingenuity has cut by several hours the British production time required for making certain gun parts. Mount for the 12-pounder was one of the earliest upon which Canada went into production. The firm's engineers through an effective use of tools on hand have saved the time, delay and expense incurred in getting new machines, turned out dozens of mounts in the meantime.

Particular pride of the makers are the grid type sights shown at either side of the picture. With the range settings built into these sights many small finely machined parts are necessary.

Plastics Pour From War Crucibles

Wartime Drive for Substitutes Promises a New Way of Living

Out of the welter of destruction caused by modern war is being molded a revolution in our way of living.

Last war strengthened the foundations of our chemical, our steel and our aviation industries. This time it is plastics.

World War II has mobilized almost every commodity to war purposes, has cut off normal sources of materials supply, has kept chemists working nights to find substitutes for the insatiable demands of war, the essentials of civilian life.

From silk socks to safety pins, twine to nail polish, the search has been pursued, with the job doubly complicated by the increasing needs for war materials. Use of plastic to replace copper or zinc in civilian use has been followed by the same substitution in war equipment. Nylon to replace silk in stockings has also to replace the imported fibre in parachutes and powder sacks.

Rubber and Silk

With Japan's entry into the war the biggest source of rubber, silk and tin was cut off. The substitutes we are finding are plastics or their close kin.

The government has announced that a government-owned company known as Polymer Corporation Ltd. is being set up to produce synthetic rubber. It is hoped that production will begin before the end of 1943. Output when the plants are working at capacity will be about 34,000 tons but this production is entirely for war purposes.

A Plastics Advisory Committee has been set up by the government. It will co-operate with the Controller of Chemicals, advise him on matters concerning plastics, synthetic resins, varnishes and molding compositions.

All stocks of raw silk have been frozen for war purposes which will greatly stimulate the nylon and rayon industries. Nylon, product of coal, water and air, now produced in Canada by the Kingston plant of C.I.L. will probably be diverted more and more for war needs, powder bags and parachutes.

Rayon is expected to replace much of the real silk. Two types are manufactured in Canada, one from wood pulp of which the Dominion has an ample supply. The B. C. rayon pulp industries have greatly expanded their facilities to meet the greater demands. Courtaulds of Cornwall, Ontario, are the biggest manufacturers of this type of rayon. Canadian Celanese at Drummondville, Quebec, make what is known as acetate rayon which uses cotton linters as the basic raw materials.

There are many other synthetic substitutes that may be used in the textile industry. Casein, a by-product of skim milk, is being used in felt making, may be part of the hat you are wearing. This same product blended with mohair, wool, cotton, rayon or fur becomes a fibre accepted by the textile industry. It is call "Aralac." Blended with rayon it produces fabrics of unusual beauty. It supplies drape and substance which previously could be obtained only through the use of fur and wool in some fabrics.

Then there are vinyon and fibreglass. Possible uses of vinyon are hosiery, curtains, braided and knit goods, etc. Fibreglass is also used as a textile in the manufacture of bedspreads, tablecloths and draperies. Glass fibres are also used as flexible insulating material for fine wires, a job formerly performed by silk threads.

Among the most interesting of all synthetic substitutes are the plastics. There are plastics strong as steel, light as aluminum, thin as tissue, tough enough to stop bullets, finer than silk—for rayon and nylon are plastics; plastics that can be sprayed like lacquer; plastics that stretch like rubber; plastics transparent as crystal.

Two Main Types

Plastics are divided into two groups, the thermo-setting and the thermo-plastic. The basic material of the thermo-setting is bakelite and the compression molder, similar to the old hydraulic press, is the mainspring of the industry. The molding powder pressed in pellet form is placed in the metal mold cavity. With constant heat and pressure forcing a chemical and physical reaction within the mold it takes from one to ten minutes to produce the finished article. Products made from the thermo-plastic group are forced in a hot liquid state into steel molds by use of injection machinery and undergo a physical change only while being molded.

Because of defense necessities metals will give way to plastics sooner than was expected by those experimenting with chemicals.

Out in Vancouver, B.C., A. C. Rubber Manufacturing Co. are using tenite trade name for a cellulose acetate plastic—to supply nearly a dozen standardized parts and materials for Boeing Aircraft as well as for shipyards in Vancouver, Victoria and Prince Rupert. Tenite comes from the United States but Canadian sources of supply for this plastic are being cultivated. It is as light as aluminum, can be melted and poured into molds like syrup and, when hardened has a tensile strength of from 2,800 to 7,500 pounds per square inch and a flexible strength from 4,000 to 13,000 pounds per square inch depending on the grade.

Exit Tin and Cork

Modern Containers Ltd. also make a variety of plastic articles. They are the biggest manufacturers of plastic bottle tops, substituting for scarce cork and tin. Plastic compass boxes for the government are also made by this company. Canadian Industries Ltd. and Shawinigan Chemicals make plastics, their main products being nylon, Cellophane and safety glass.

We shall hear more and more of the plastics. Germany has so far led in this field using plastics for pipe lines, agricultural machinery and aircraft parts while freeing supplies of metals for her weapons of death.

In the United States where the plastic industry is rapidly becoming big business, energies have been turned toward peace-time articles such as juke boxes, toothbrushes, radios, sun goggles, piano keys, ash trays, etc.

Outstanding in this field for their enterprise and scientific skill is a giant firm like Monsanto Chemical Co.

With the United States entry into the war plastics may be cast into a sterner role. Already plastics are being used as gun-stocks and could be used for gas masks, shell casings, may some day prove the key to mass production of aircraft.

The uses of plastics are legion. To list a few of them here and their uses gives some idea of the great variety of ways in which they may be used.

Nitrocellulose, a cellulose nitric acid thermoplastic, used mainly in lacquers and finishes in peace, is the "gun cotton" of war. Phenolic plastic or bakelite is used in electrical equipment, rayon machinery, automobile working parts, impregnation of plywood, Alkyd earns its right for existence as an ingredient in weather-resistant paints and varnishes. The vinyl family of thermoplastics, made from acetylene and natural gas, are used in many ways, plastic sheets in safety glass, adhesives, inks, metallic paints, raincoats, cable coatings and instrument dials, suspenders, belts, and evening slippers. The acrylic plastic is noted for its transparent qualities and its rigid stability. It is used mainly for cockpits and gun turrets of fighting planes. Saran has the highest tensile strength of any plastic to date, is used to make rope and cordage.

New Plastics

These are only a few of the large plastic family and more are being produced monthly. All the plastics have virtues and weaknesses with the chemists constantly trying to improve them. The two main goals of research have been transparency and stability and a great deal of success has been achieved along these lines. One of the best characteristics of plastics is that they lend themselves readily to mass production. Once a master mold is produced in hard carbon steel, plastic articles by the thousands can be produced in its exact image.

Use of plastics as a substitute for metal, wood and rubber is not easy. Plastics are made of chemicals and there is a shortage of chemicals. Already the chemists are working on substitutes for substitutes. To the plastics industries of Canada bakelite has been rationed. Research workers are trying to find a substitute for bakelite, so far without complete success.

The search will become more urgent as the war lengthens nor will it end with the war.

Eventually we will create a more artificial environment in which to live. The future will in all probability see us driving plastic cars, riding in plastic planes, wearing clothes of plastic origin, sitting on furniture made of plastics, in homes with plastic woodwork or even plastic houses themselves. We may even have plastic bathroom tiles that won't chip or be cold on the feet and a non-skid plastic bathtub. Ours will indeed be a different world.

Australians Discover Ersatz For Sapphires

Australian scientists have found a substitute for sapphires and thus have made possible production of compasses for the armed services.

Compass needles must stand up to one million varying oscillations to reach service standards, and the vital part is the point on which the needle rests. It must be many times harder than the toughest steel. Imitation sapphires from Switzerland were used, but by the time this stock was used, Professor T. H. Laby, of Melbourne University, was ready with a mass-production metal as a substitute found after a series of trial-and-error experiments.

A recruit in Perth, Australia, gave his age as 91. He said he was born in 1850 in Surrey, England, and claimed to have fought in Abyssinia in 1866.

SEEING IS BELIEVING . . . AND GOOD FOR MORALE

ONE COMPANY CREATES ITS OWN POSTER APPEALS—

SAY IT WITH PICTURES, EFFECTIVE IN WAR AS IN PEACE

"One picture is worth ten thousand words," says the familiar Chinese proverb. In this war radio and the Press have been frequently used to arouse the public to the dangers that threaten us, but the powers of visual appeal have been sparingly exploited. The War Savings and Victory Loan campaigns are exceptions to prove the rule.

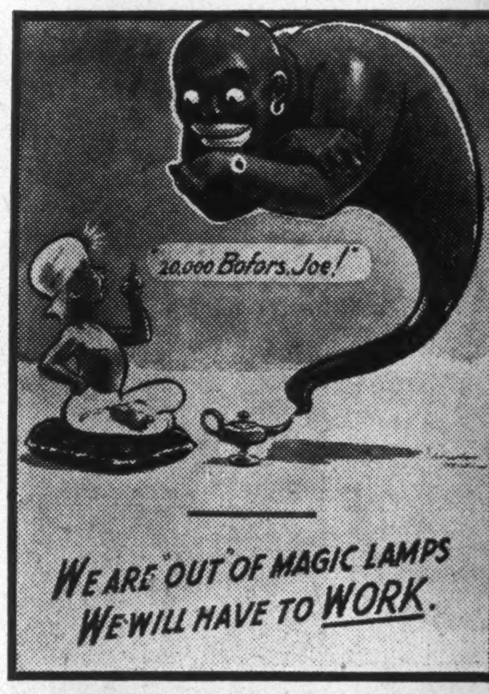
This is all the more surprising in view of the known value of art and illustration in promoting peacetime products and ideas. Many a new model automobile or breakfast food has been launched with a more skillful and persuasive display of illustrated publicity than anything yet devoted to fostering a general wartime spirit in Canada.

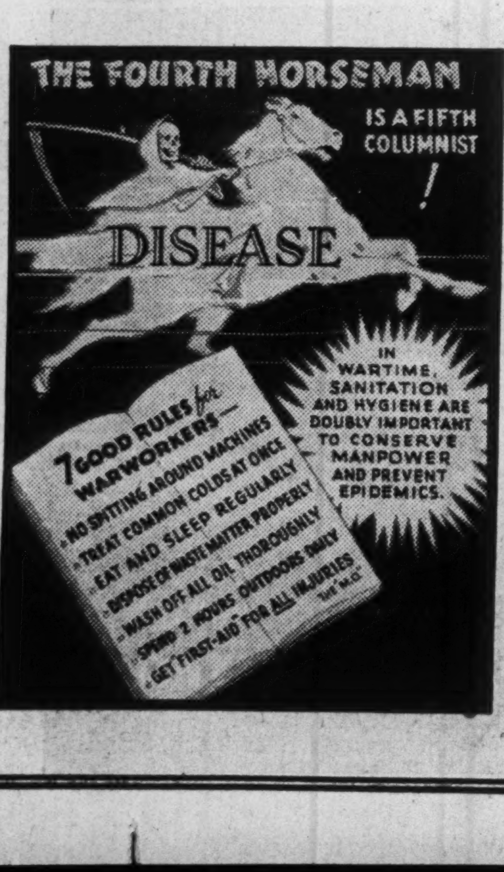
The posters reproduced here are, therefore, of special interest. They are selected from an extensive series originated and prepared within the organization of the Otis-Fensom Elevator Company Limited and displayed throughout their Ordnance works.

They indicate an evident need, or at least a desire, in such quarters, for display matter of this nature. They also suggest that the problem of translating such messages or appeals into terms that would be more widely significant is not insoluble.

The single-mindedness and concentration of purpose that this war demands of all of us are comparatively rare human gifts. Most of us require to be constantly reminded of our most earnest resolutions. This is where the picture, if it is aptly originated and proficiently executed, serves a unique purpose. It is a constant reminder in terms that are instantly and universally recognized.

The waging of total war calls for the invoking and, equally important, the sustaining of a total war spirit throughout the country. The initiative of this particular company suggests that here is one obvious and effective means to that end that has not yet been sufficiently exploited. Apart from the possibilities of a campaign on national lines there must be many individual war industries of sufficient importance and extent to justify an individual effort in support of morale along the lines suggested by this interesting and suggestive example.





Published in the interests of public information through the co-operation of a leading Canadian industry.

Machine Tools—Whys and Hows For the Layman

An Expert Explains What These Vital Machines Do and How

By ERIC CRAWFORD
Editor, Canadian Machinery and Manufacturing News

Directly the war began, the term "machine tool" came to the consciousness of more individuals on this continent than ever before in history. Our war production was known to be tied to the machine tool, and the speed of output of the machine tool industry was thought to be the sole factor governing how soon "we" could start turning out munitions and war equipment and how fast it could continue to pour out once under way.

The overworked expression "bottleneck" came to be identified almost wholly with the machine tool industry. It was popularly expected that the necessity for extreme accuracy limited the potential builders to a few highly skilled artisans in a tightly knit craft, and that any expansion would require the long leisurely training of carefully selected apprentices.

The emergency recognized, the industry in Britain, then in the United States and in Canada, so quickly and successfully responded that the machine tool deliveries were never actually a serious obstacle to war production. Delivery on machine tools was frequently long—in some instances as much as two years after receipt of order — but proper management and foresight ensured that tools would be ordered far enough ahead to arrive when needed. Four weeks' delivery would have been useless for instance on a milling machine to work on gun parts when detail drawings, tool design, tooling manufacture, new building construction, power installation, and trained operators would not be ready to use the machines for 12 months, and experience in most instances found the machines ready as soon as they were needed.

Delivery promises on machine tools have been more faithfully met than one would credit. Though Canada depended chiefly on the United States for tools, and on Britain to a lesser degree, the Canadian output being relatively small, Canada fared very well indeed, owing to the fact that British builders had expanded early when trouble threatened, and American demands had not yet reached peak proportions for the United States product.

Both American and Canadian builders rationalized their methods to make possible a rapid expansion by subdividing to their simplest terms the complicated operations necessary. Thus, the highest skills could be "diluted;" many jobs ordinarily carried through from the roughest stages to the finest hand-finish by one man, were revised so that earlier operations are carried out by "operators" — men carefully selected during technical school training, and taught to do one simple job well and quickly. Four or five of these men can thus do their particular parts and turn over to a single expert the finishing operation.

What is Machine Tool?

What is a machine tool?

So many phases of life now touch on the use of machines that a little definition is in order. Machines are used not only for turning or planing brass or steel, but for working on wood, mixing dough or paint, chipping stone, making paper or adding figures, so that we recognize many divisions of the industry. For example, wood working, paper making, paint mixing and business machines are obviously separate from the great family of metal working machines which shear, stamp, or cut metals to shape. The National Machine Tool Builders' Association, central organization of the trade in the United States carefully defines the "machine tool" as

"Power driven, complete metal working machines not portable by hand, having one or more tool and work holding devices, used for progressively removing metal in the form of chips."

But all machinery making implements of war does not fall into this class. The hand riveters used to drive rivets in airplanes, the chipping hammers which dress steel sheets in shipbuilding, the air grinders used to clean castings, the hammer and chisel of the bench, the steam hammer and the welding torch, vital as they all are, are barred from this exclusive society. Also barred, surprisingly, is the huge drawing press which in a happier day stamped out our automobile top or fender (now it produces steel helmets or airplane components), and punch press which turns out electric motor laminations, and the wide range of can-making machinery.

Types of Machine Tools

It is the way in which the tool moves and the work moves that distinguish the different types of machine tools. In the shaper the tool moves back and forth, the work is fed across. In the planer the work moves back and forth, the tool is fed across. The engine lathe turns the work continuously, the tool is fed along or across.

The vertical boring mill does the same, but the work turns horizontally on a flat circular table. The horizontal boring machine turns the tool on a horizontal spindle, which may also be fed endwise and vertically; crosswise feed is given by the table.

Important Variant

The milling machine is the most important variant of the horizontal boring machine; the standard cutter looks something like a gear. The milling machine is used to produce flat surfaces and grooves for a thousand and one purposes. It is produced by a smaller number of manufacturers than most other common types of tools, and is relatively expensive, so that most shops are ordinarily content with a very small number of milling machines compared with, say, the number of lathes. Ordnance production has completely changed this picture, however, since complicated profiles which would ordinarily be cast or stamped must be machined from the solid for guns, so that in many plants milling machines have been installed by the hundreds.

For reasons such as this and also in order to be able to employ semi-skilled operators rather than trained machinists, the pinch in machine tool demand came in relatively few quarters—the milling machine, the horizontal boring machine, the turret lathe and the extremely complex automatics were most in demand and at the same time the number of manufacturers producing them was the most narrowly restricted.

Cutting Tools

Others are cutting tools.

In any metal cutting operation, the metal is separated from its parent body by being, in a sense, ploughed off because the tool is harder than the work.

(Of course, in the measure that the tool is efficiently shaped and kept properly ground, the expression "ploughed" needs serious modification.)

The working part of the tool itself often as not contains no steel or iron, but in the hardest of our tools, consists of a carbide of tungsten, tantalum, or titanium. Another extremely valuable class of tool is composed of alloys of tungsten, chromium and cobalt. Third in point of hardness come the high speed steels, in which steel is alloyed with tungsten and cobalt, or other metals. High carbon steel is also a perfectly successful tool with a wide variety of uses.

Since many of the rarer metals used for carbide tools are expensive, sources of supply have been cut off, and at the same time their alloys are not suitable for structural purposes, a small nib or tip of the cutting metal is secured to a "shank" or bar of tough high strength steel. This cutting tool, then, is bolted in its place somewhere on the machine tool. In this way a pound of, say, tungsten, may do the work of 60 pounds or more of the same metal in its more "extravagant" alloys.

A tool may have a single point or, for multiplied production, two or more; a milling cutter or hob may have up to 30 or more distinct cutting faces around a revolving cylinder.

Jigs and Fixtures

These constitute the third group in the production triumvirate. To save the time and skill necessary to feed the tool accurately to place on each separate piece, many adaptations of machine tools have been made, to replace to the tool mechanically for each piece, or conversely to locate each successive part accurately with relation to the tools. The latter is what is known as a fixture. By and large, fixtures have been more of a limiting factor in getting plants into production than machine tools, because many machine tools are turned out to the same pattern and lend themselves to mass production, albeit on a small scale. Fixtures on the other hand must often be made for each separate operation on each component.

Jigs and fixtures are grouped together here because in many cases the functions of both are combined in one structure. Whereas the fixture locates the work in the machine, a jig is used to guide the tool. Commonest use of a jig is to provide guide holes for drilling a number of holes in a part. Each hole in the jig must be located absolutely — a long expensive job for the tool maker. To protect these carefully located holes from wear they are bored oversize and a hardened steel lining, called a bushing, is slipped into each jig hole to guide the drill. Naturally these bushings are also costly, and so are replaceable when they become too far worn.

Canada's Machine Tool Industry

Canada's Bureau of Statistics does not particularize so carefully in its definition as to concentrate on machine tools, but includes forming and stamping presses in the class of metal working machinery, where these latter make up about 9% of the total. The total sales value of metal working machinery manufactured in Canada follows this course:

1934	$ 347,987
1935	457,070
1936	779,658
1937	916,153
1938	1,357,143
1939	2,176,646
1940	13,523,081
1941	not available

The 1939 figure is only some 3.2% of the total of $68 million worth of machinery of all kinds produced in Canada in that year; 1940 and 1941 figures are not available as yet, but the more than sixfold increase in 1940 is coupled with the restriction on production of other metal products.

Canada was able to export metal working machinery in 1939 worth $936,283, and this figure has grown greatly due to the exceptional popularity in Empire countries of Bertram gun lathes, Hepburn shell lathes, Modern rotary profilers, etc.

Canada has always depended on the United States as a progressive and bountiful source of supply for machine tools. Since the war began to threaten, the fine British tools, always popular, have arrived also in great quantities. Canada's imports of machine tools (not metal working machinery as a whole) ran:

Year	Total Imports
1938	$4,117,000
From Gt. Britain	307,000
From United States	3,711,000
1939	5,797,594
From Gt. Britain	595,000
From United States	5,014,000
1940	23,118,704
1941	60,000,000 (or more)

The total United States production in 1941 of machine tools was some $765 millions, of which she exported $108,536,000 in the first half of the year, at an apparently diminishing rate. U. S. production in 1942 is aimed at $2,000,000,000.

Production in Canada

Canada's machine tool production has been concentrated for peacetime purposes among some six or seven companies—John Bertram & Sons Co. Ltd., Dundas, Ont.; Canada Machinery Corp. Ltd., Galt, Ont.; R. McDougall Ltd., Galt, Ont.; Ford-Smith Machine Co. Ltd., Hamilton, Ont.; and in smaller degree H. W. Petrie Ltd., Toronto; and Williams Machines Ltd., Preston.

Brown-Boggs Foundry & Machine Co. are the only press manufacturers of importance.

John T. Hepburn Ltd. were not normally machine tool builders, but developed about 1937 a shell lathe which has gained Empire-wide acclaim, and has in some quarters been described as an important factor in shell production, even in Great Britain. That firm is now producing also some valuable types of gun boring machines.

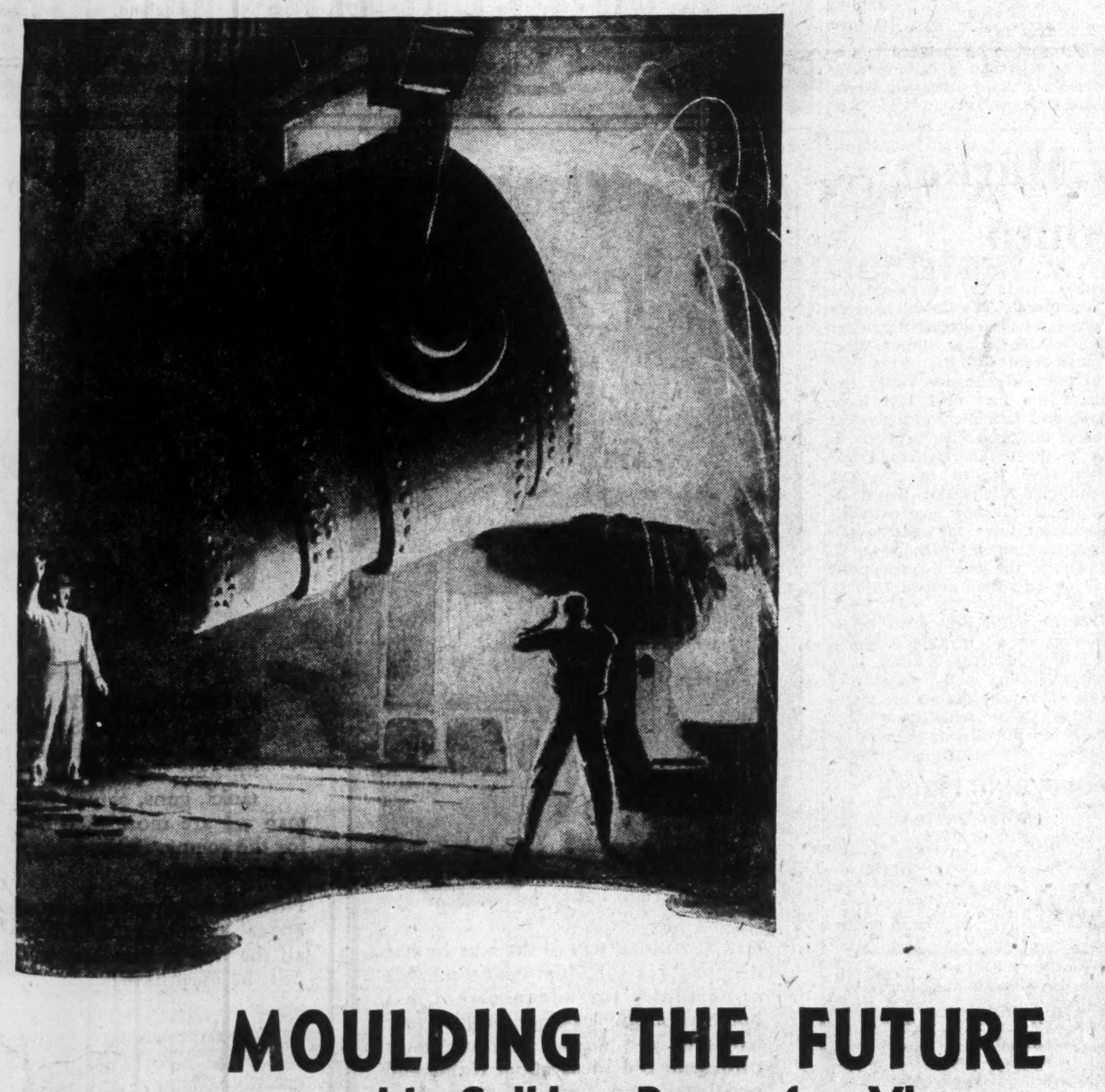
Modern Tool Works Ltd. was originally, as its name implies, a producer of tools, jigs and fixtures. A few years ago it reached out in a small way into the production of milling machines, the manufacture of which Canada had dropped since the last war. Since milling machines are one of the expensive specialized classes of machine tools, they had been left to the United States and British firms which had the volume necessary to justify the special complications of production.

For Special Problems

However, simpler models of perfectly standard qualifications are built in this company's new plant in Toronto. A further contribution of this company is the rotary profile milling machine, of a special nature which has solved many problems in gun and airplane engine plants, both in Canada and Great Britain. Its particular function is to machine forms which are partially circular, but not complete circles which could be turned in a lathe, and many shapes of this nature are encountered.

Many other firms have gone into the manufacture of machine tools as a war measure, especially the manufacture of shell and bomb lathes. These are of a special nature, may be produced by repetition methods, and the areas which must be accurate are very much restricted, so the skill of the machine tool builder is not so vitally necessary. For these reasons manufacturers of general machinery are capable of turning them out, and this is an advantage in another direction, releasing the machine tool shops for their more exacting work in producing universal machines. These special machines also tend to saturate their market, since a shell plant is not a constantly expanding thing as a rule, and a few lathes and thread millers can turn out a lot of shell.

Subcontracting has also relieved the machine tool builders greatly. In one or two instances, machinery builders have tried to make machine tools, but not with complete success. However, the judicious distribution of the work of making certain related parts has been very satisfactory, many a machine shop turning complete subassemblies to the required standards.



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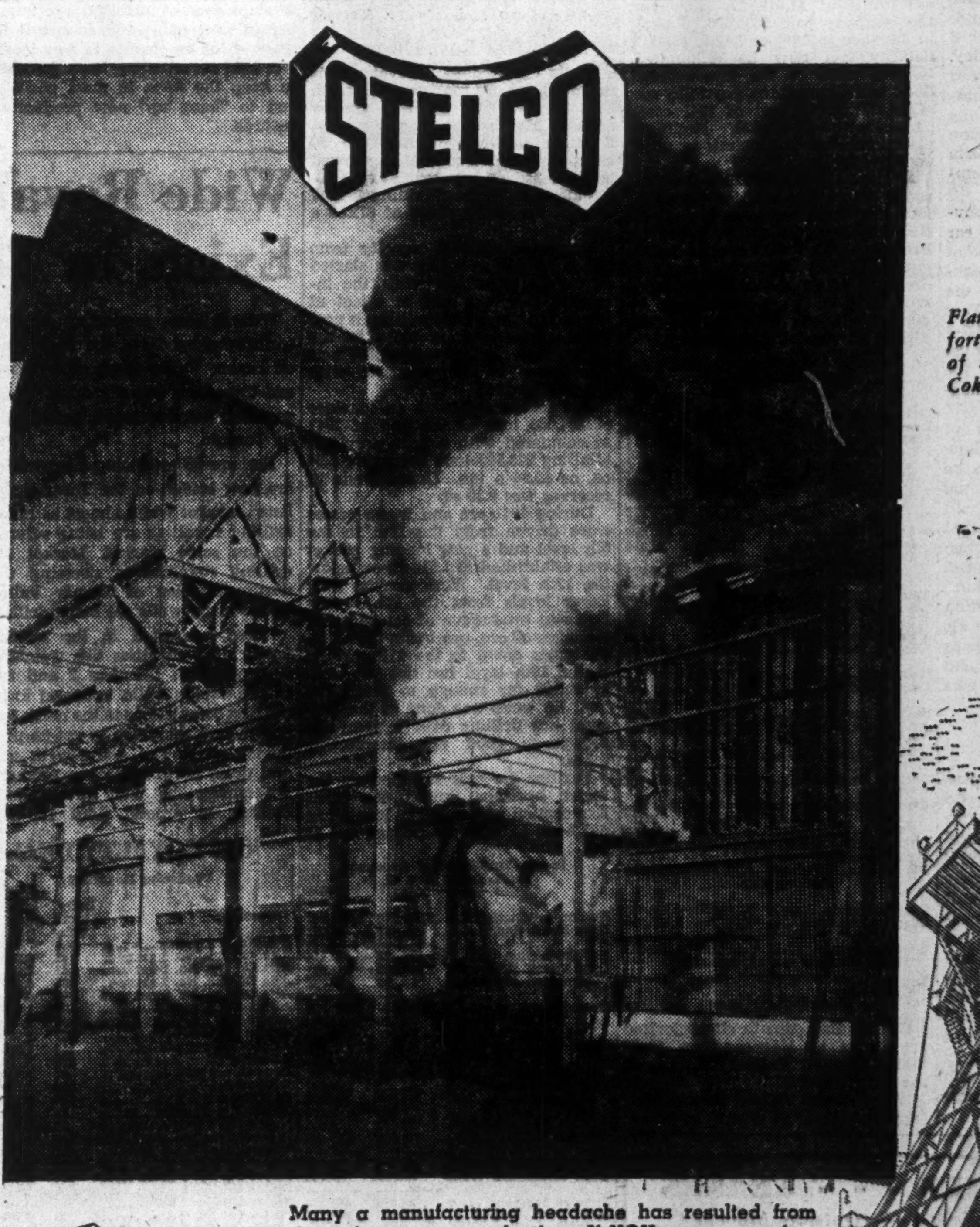

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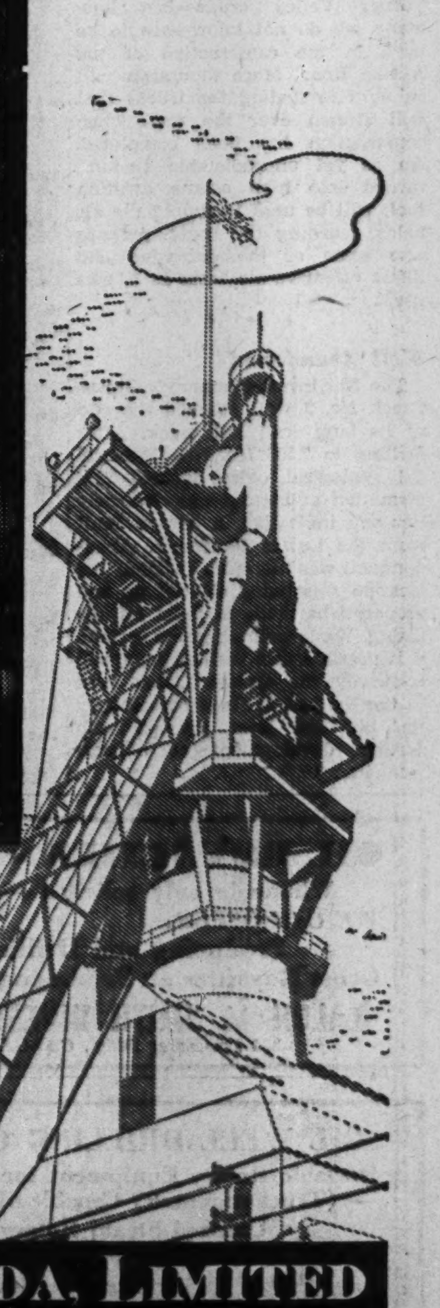

A typical Stelco Product

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Smelters "In On" Magnesium

Evolves New Process in Conjunction With U. S. Firm

A new chapter has apparently been written in the wartime achievements of Consolidated Mining & Smelting Co. with the announcement of details of a new magnesium recovery process developed by the company in conjunction with Mathieson Alkali, a United States concern.

As reported in the Engineering & Mining Journal, the new process is an electrolytic one. It uses magnesium chloride made from dolomite by calcining and subsequent chlorination. The essentially new feature is the modified type of electrolytic cell.

The great advantage of the Consolidated Smelters-Mathieson Alkali process is the production of the metal magnesium simultaneously with chlorine in a recoverable concentration.

The process differs from earlier methods in that it furnishes a surplus of chlorine for sale instead of being a chlorine-consuming process, considered over-all.

The great advantage of the alternative ferro-silicon processes—as compared with electrolytic process—is stated by the Engineering & Mining Journal to be that this type of process uses a minimum of electric power per ton of magnesium produced, even when including that required for the manufacture of the ferro-silicon. As reported in The Financial Post recently, the ferro-silicon processes — such as that evolved by Dr. Lloyd Pidgeon in Ottawa — also possesses advantages of low plant cost and speed of construction—of great importance in the United States and Canadian war efforts.

Aside from dolomite, of which there is an abundance, ferro-silicon is the chief raw material used in the Canadian process. Ferro-silicon is made in the electric furnace, using scrap iron and quartzite. In ordinary times it can be made using cheap off-peak electric power, but due to the present shortage, cost of ferro-silicon is somewhat higher.

Both the improved Pidgeon and the Union Chloride ferro-silicon processes to be utilized in the United States have received the endorsement of the United States National Academy of Sciences. As pointed out by Materials Director W. L. Batt they are independent industrial developments. Claims of Secretary Ickes that magnesium can be produced using a U. S. government-developed method are "pointedly omitted," by Mr. Batt, the Engineering & Mining Journal states.

Huge increase in production of magnesium will go for the manufacture of incendiaries rather than airplanes, it is believed. Even the great expansion of airplane production plans will not involve consumption of more than a fraction of the magnesium to be turned out.

Mining INVESTMENTS

Dominion Magnesium's plant at Haley's Corners, Ont., being erected by Wartime Metals has finally had construction details cleared up by Hon. C. D. Howe, answering questions in House of Commons; he says capacity will be 10 tons of metal a day and the cost will be $2,675,000. If capacity is increased to 20 tons a day, the cost would then be $6 millions.

It was further stated that the plant is owned by the Dominion government (through Wartime Metals) and is to be managed and operated by Dominion Magnesium until cessation of the hostilities—without fee or profit.

If the government requires it, Dominion Magnesium will continue to operate the plant "upon mutually satisfactory terms then to be agreed upon."

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Dr. Lloyd Pidgeon's process used by Dominion Magnesium for recovering magnesium using ferro-silicon is reported to have been adopted by a fifth American firm—Thermit Metals.

According to Mr. Howe, application for patents to the ferro-silicon process were made in the name of Dr. Pidgeon by the National Research Council. In due course they are to be assigned to Dominion Magnesium. At the recent Bobjo annual meeting, it was stated that Dominion Magnesium is receiving 36 cents a pound for the metal it is producing. Under agreements for use of the Pidgeon process in the United States, it is expected that Dominion Magnesium will get $25,000 cash plus a royalty of a half cent a pound with all patents and processes to be returned after the war. Production of magnesium by the Pidgeon process may possibly run into hundreds of millions of pounds.

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Hudson Bay Mining and Smelting Co. annual report, reviewed elsewhere, contains some interesting information on mine labor conditions. General Manager W. A. Green reports that 380 employees have joined the armed forces by the end of 1941 with another 52 employees either on call or with applications pending.

During 1941 the company had an average of 2,005 employees at work. Reflecting the increased turnover in labor due to the war, nearly 42% of the present employees have been hired since the outbreak of war. The increased scale of operation, however, has been partially responsible for hiring additional men.

While it has been found necessary to employ an unusually large number of new men—and to break in many older employees to new work—it has nevertheless been possible to keep the mine in good position and to "hang up" new production records.

Plan New Deal on Royalties

Dominion-Provincial Scheme Now in Process

From Our Own Correspondent

CALGARY. — Steps are being taken to effect a compromise agreement restoring the legal Crown royalty payable on wells started prior to June 1, 1941, to 10%, and setting up a choice between 12½% or a 'sliding scale' royalty on wells started since that time.

The Alberta Legislature approved its end of a proposed agreement between the province and the Dominion, extending the province's jurisdiction over oil and natural gas leases by the Dominion prior to the natural resources transfer in 1930.

The measure, which has yet to be ratified by the Dominion, would eliminate Clause Two of the Natural Resources Agreement. This clause has the effect of providing that no changes be made affecting Dominion-granted leases, without the consent of both Dominion and Provincial Governments and the various other parties concerned.

Elimination of Clause Two would give the Alberta government power to do as it likes in regard to the old Dominion leases, within the limits of a further undertaking covering royalties payable for the next 10 years, which would be part and parcel of Dominion approval of elimination of Clause Two.

As at present planned, the province will scrap the long disputed and never enforced Order-in-council of May 28, 1941, by which Crown royalty on both Dominion and provincial leases would be upped from 10% to a choice between 12½% and a 5% to 15% sliding scale royalty, effective June 1, 1941. Ordered in its place would be:

(1) Continuance of the 10% Crown royalty on all wells drilled, drilling or financed as of June 1, 1941, whether the well be on a Dominion or provincial lease, or on school land.

(2) A choice between 12½% and the 5% to 15% sliding scale on all wells drilled, drilling or financed since June 1, 1941, whether the well be on a Dominion or provincial lease, or on school land. This royalty scale would remain in effect for a period of 10 years from the date of assent to the statute.

Should this go through, owners of the old Dominion leases (on some of which only 5% royalty is said to be payable) would be granting the main concessions, and the main benefits that Alberta is prepared to concede would accrue to the owners of provincial leases. It is obvious, therefore, that while the province's proposal is an improvement over the Order-in-council of last May, it is not entirely satisfactory to the holders of Dominion leases, particularly the holders of Dominion leases developed since June 1, 1941.

George H. Ross, Liberal Member of Parliament for Calgary, proposed in Ottawa that the Dominion Government issue an order freezing Crown royalties on oil and gas production at the level in effect prior to June 1, 1941. Whether the Dominion will simply ratify the measure passed by Alberta, thus bringing the proposed royalty scale into effect, or whether it will heed Mr. Ross and the many holders of Dominion leases who consider the present proposals not yet equitable, is something that has yet to be determined.

More Mercury From Smelters?

Unconfirmed Reports Say $600,000 to Be Spent at Pinchi Lake

From Our Own Correspondent

VANCOUVER. — Consolidated Mining & Smelting Co. is reported to be spending $600,000 on further expansion of its mercury plant at Pinchi Lake, near Fort St. James in northern British Columbia.

President S. G. Blaylock declined to confirm or deny the report, but it is understood on good authority that the company has been well satisfied with the mine's development and that in view of continuing demands for the product arrangements have been completed for stepping up production at the mill, now said to be on a 400 ton basis.

Before the war the British Empire depended on Spain and Italy for most of its quicksilver. As a result of the Pinchi Lake discovery shortly before the war and its development since then by Smelters, British Columbia is reported to be supplying about two thirds of the Empire's requirements of the valued metal.

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The Week In Oils

From Our Own Correspondent

CALGARY.—Alberta's crude oil and natural gasoline production has moved up to still another new all time high. Daily average during that week (ending 8 a.m. March 16), was 30,806 bbls., up more than 1,000 bbls. per day compared with the immediately previous week and up 4,000 bbls. per day compared with the same week in 1941.

The yield during the latest week of record was made up as follows: Turner Valley crude oil yield, 29,449 bbls. per day; Turner Valley natural gasoline 1,084 bbls. per day; other fields, crude oil yield 273 bbls. per day.

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Means Big Demand

Construction of the Alaska Defense Highway, started by the U. S. Government two weeks ago, has opened up a large new market for aviation gasoline and motor fuel processed from Turner Valley's crude oil.

The Valley has been called upon for the many thousands of barrels of aviation and motor fuel needed for the construction, maintenance and protection of the new vital defense highway, which links up the existing highways and railways of Alberta with the existing facilities in Alaska.

Supply of the petroleum products has been entrusted to the British American Oil Company and Imperial Oil Ltd. The gasoline—motor and aviation—are being produced from oil produced in Turner Valley, and processed at the large and modern refineries of these two companies at Calgary. The motor oils and greases—not at present being produced from oil found in Alberta—are being supplied by these companies from other sources.

The petroleum products are moving in a steady stream by tank car to Dawson Creek. From this point some one hundred trucks are working day and night to move the gasoline and oil drums to Fort Nelson, 390 miles to the northwest—working at a breakneck pace to get an adequate supply in before the spring thaw turns the muskeg-underlain trail into a mire.

Many thousands of barrels of Turner Valley crude—just how many we do not know—are to be used in the construction of the Alaska Road. More thousands will be used in fueling the trucks that will stream over the road when construction has been completed. An as yet unpredictable amount, turned into high octane aviation fuel, will be used to supply the air fields guarding the route, perhaps also some of the defensive and likely offensive air bases in Alaska itself.

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Well Abandoned

The Northwest Company's Grease Creek No. 2 well reached the end of its long trail last week. After drilling to 7,506 feet, the Imperial Oil geological office decided that formation at bottom was definitely Benton, indicating a major fault from the Lower Blairmore. Abandonment was therefore decided. The location was being cleared up and preparations made to shoot off the casing. While nothing yet is certain, it is possible that the company will re-survey the Grease Creek area in the light of findings revealed by the bit, and later proceed with further development at a new location.

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Company Reports

Hollinger Consolidated

Annual report of Hollinger Consolidated Gold Mines for 1941 shows the company's position remarkably well maintained considering the war. Highlights of the year's operations were:

Earnings of $1.10 a share—the same as dividends paid—after giving effect to announcement of wiping out of the Ontario corporation tax for which a $267,813 allowance had been made. Earnings in 1940 were $1.18 a share.

Production approximately $500,000 higher at $17,365,853; Hollinger mine output $16,416,119 from 1,756,923 tons, an average of $9.35 a ton.

An increase in ore reserves by 71,263 tons to 7,541,906 tons with an average value of $13.05 a ton, the same average value as a year previous.

Announcement of acquisition of certain shares of Labrador Mining and Exploration Co. and right to purchase additional shares, sufficient to give control.

Expectation that the company's new 120-ton daily capacity tungsten mill, in course of erection, will be in operation shortly.

Although as far back as 1936 it was believed that most if not all the major ore bodies on the upper levels had been discovered and that a falling off in development results from these horizons could be expected in the future, the section of the mine above 800-ft. level in 1941 provided 38.5% of ore milled and ore reserves in that area were depleted only $312,000.

Excluding shares in other companies and the company's International Bond and Share Corp. subsidiary, working capital at the end of 1940 was indicated at some $900,000 lower at $1,019,127. However, the company paid $800,000 of taxes in advance in 1941 and Ontario tax liability can now be eliminated. Market value of the International Bond and Share Corp. portfolio was $4,615,531 at the end of 1941 compared with $5,120,522. Hollinger placed substantial amounts in other ventures in 1941.

At the beginning of 1942 the February bonus was omitted owing to increased costs and taxes and unsettled conditions generally. However, President Jules R. Timmins points out there has been no change in dividend policy and extra dividends will be paid when warranted by current earnings and stabilized conditions in the mining industry.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gold and silver	17,365,853	16,844,035
Less: Mining chgs.	6,997,030	6,350,731
Milling charges	1,202,952	1,068,214
General charges	1,103,842	909,540
Marketing bullion	176,379	168,584
Workmen's compen.	149,163	187,161
Silicosis assess.	74,901	81,079
Net oper. earnings	7,661,586	8,078,726
Add: Interest, etc.	458,091	260,689
Prof. on secs., etc.	26,304	24,124
Young-Davidson profit	262,765	305,771
Total net earnings	8,408,746	8,669,310
Less: Depreciation	623,322	449,356
Invests. w/d	160,359	68,497
Properties abandoned	64,426	54,033
Profit taxes	2,381,546	2,302,200
Net profit	5,179,093	5,795,224
Less: Dividends	5,412,000	5,412,000
Surplus for year	*232,907	383,224
Add: Prev. surplus	7,081,798	6,698,574
Ross mine net to Jan. 1/41	461,126	......
Surplus forward	7,310,017	7,081,798

*Deficit.

Earnings per Share and Dividend Record:		
Earned	*$1.05	$1.18
Paid	1.10	1.10

*Or $1.10 a share, eliminating Ontario tax allowance.

No. of Shs. Outstand.	4,920,000	4,920,000
Working Capital		
	$	$
Current assets	3,376,630	4,999,697
Current liabilities	*2,357,503	3,085,094
Working capital	*1,019,127	1,914,603

*Before Ontario tax adjustment.

Kerr-Addison

Outstanding growth characterized operations at Kerr-Addison Gold Mines in 1941. Salient features of the year were:

An increase in ore reserves to approximately 11 years' requirements at the current milling rate.

A step-up in per share earnings from 32 cents in 1940 to 52 cents in 1941.

Intersection of the main No. 21 ore body in two drill holes—150 ft. apart—at the 2,000-ft. horizon showing an average width over 50 ft. grading $10.59 a ton.

Completion of main shaft to 2,100 ft. depth on its way to 2,650 ft., the present objective.

Ore reserves down to the 1,455-ft. level at the end of 1941 totalled 8,151,844 tons of 0.185 oz. grade compared with 5,140,491 tons of 0.199 oz. grade a year earlier. Drop in grade is due mainly to inclusion of ore body No. 17 which contains about a million tons grading 0.134 oz. gold per ton.

Mill capacity is approximately 2,100 tons compared with the 1941 average milling rate of 1,904 tons daily. Exemption from corporate income tax ended Oct. 31, 1941.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production	5,626,389	3,544,433
Less: Operating costs	2,113,840	1,377,131
Operating profit	3,512,549	2,167,302
Add: Other income	21,178	5,888
	3,533,727	2,173,190
Less: Depreciation	330,757	264,723
Development w/o	155,985	134,494
Donations	......	5,108
Taxes	592,946	249,692
Net profit	2,454,039	1,519,173
Less: Dividends	1,655,605	709,545
Surplus for year	798,434	809,628
Add: Prev. surplus	1,623,807	814,179
Profit on assets	1,113	
Surplus forward	2,423,354	1,623,807
Earnings per Share and Dividend Record:		
Earned	$0.52	$0.32
Paid	0.35	0.15
No. of Shs. Outstand.	4,730,301	4,730,301
Working Capital		
	$	$
Current assets	2,267,388	1,146,240
Current liabilities	944,204	530,087
Working capital	1,323,184	616,153

Preston East Dome

While increased development meant larger ore reserves at Preston East Dome Mines in 1941, greater expense also brought lower profits. Earnings declined from 38 to 28 cents a share. Production showed an increase of approximately $58,000 at $2,399,270 from milling 194,817 tons of ore, an average of $12.32 a ton.

Expansion of mill capacity from 550 to 1,000 tons a day was started during the year and while the increased rate was not in effect at the end of the period, milling is now being carried on at close to the higher rate. An average of 534 tons was milled in 1941 compared with 480 tons in 1940.

Ore reserves showed an increase of 257,000 tons at the end of 1941 as compared with a year previous, totalling 919,700 tons averaging 0.24 oz. or $9.24 a ton. Uncut grade of reserves was 0.30 oz.

During 1941 ore and waste passes were driven from the 12th to the 6th level and a new loading pocket was established at 1,510 ft. or below the 12th level. Work on the new lower levels from the 7th to the 12th was productive of considerable tonnages of ore, ore being found on all levels down to the 11th. Work at the 12th level has not yet been extended far enough to reach the ore. No work was done at the 13th level but drilling over a year ago showed a good ore intersection there.

Further ore was revealed on the upper horizons during the year. Exploration of the lower levels has not been extensively carried out as yet.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Bullion production	2,399,270	2,341,386
Less: Marketing	26,852	24,272
Net production	2,372,418	2,317,114
Less: Devel., min., mill.	1,046,805	724,921
Administ. expense	63,106	49,838
Operat. profit	1,262,507	1,542,355
Add: Sundry revenue	22,329	12,640
Invest. income (net)	30,709	23,286
Scheelite sales	306	......
Net earnings	1,315,851	1,578,281
Less: Development w/o	59,987	59,987
Depreciation	201,943	163,881
Loss on assets	206	60
Shaft deepening w/o	25,501	8,468
Taxes	179,852	195,622
Net profit	848,362	1,150,263
Less: Dividends	750,000	750000
Surplus for year	98,362	400,263
Add: Prev. surplus	1,453,736	1,044,836
Profit on securities	6,373	8,637
Surplus forward	1,558,471	1,453,736
Earnings per Share and Dividend Record:		
Earned	$0.28	$0.38
Paid	0.25	0.25
No. of Shs. Outstand.	3,000,000	3,000,000
Working Capital		
	$	$
Current assets	824,971	1,127,061
Current liabilities	506,117	550,257
Working capital	318,854	576,804

Mining Concentrates

Victory Mining Co. was incorporated with a B. C. charter on Feb. 24, 1942. Authorized capital of the company is 10,000 shares of $1 par value.

• • •

Tombill Gold Mines in the year ended Dec. 31, 1941, reports a net profit of $148,360, equal to 9.75 cents a share. This compares with net profit of $278,658 or 18 cents a share the previous year. Net working capital is slightly higher at $337,559. Ore reserves are expected to allow milling till August.

• • •

Hughes Malartic Syndicate between Jan. 22 and Feb. 26, 1942, completed a magnetometer survey to locate diorite intrusions and andesite flows on the contact zones of its Malartic property. Certain anomalies were found, especially in the north, which might indicate presence of dioritic bodies known to be favorable to deposition of ore bodies in the area. It has been recommended trenching and drilling be carried out in the north and at several points along the south near a deep swamp-filled gulch. Encouraging drilling indications secured at the adjoining Marbenor Malartic are viewed as of importance to Hughes Malartic.

Securities Commission Gives New Oil Rulings

New rulings which authorities hope will assist oil royalty purchasers in making intelligent and discriminating commitments were announced by the Ontario Securities Commission this week.

Most of the new rulings have to do with the producing and drilling "offering sheets" to be presented to the prospective purchaser before a sale is made but other rulings have a bearing on the oil royalty picture in general.

Some of the chief new requirements of the Securities Commission are as follows:

1. A monthly statement to be furnished the royalty holder by the trustee on indebtedness of a well when indebtedness must be liquidated before royalty payments can start.

2. Sale of oil royalties not to be commenced until sufficient royalties have either been sold or contracted for by financially responsible parties to ensure drilling to the depth recommended in the geological report.

3. The investor not to be advised that he should purchase an oil royalty as a patriotic duty.

4. Every offering sheet to be signed by the oil royalty salesman in future, making a "checking back" possible in the event of a complaint.

5. In the case of a drilling royalty, a well to be reported as on unproven land if the acreage is actually unproven.

6. Salient features of the geologist's report to be included in the offering sheet on a drilling well instead of only the geologist's name.

7. A statement to be included on the oil royalty offering sheet that no estimate of the oil/gas recoverable from the tract in question has been made and any estimate from any other tract for comparative purposes should be disregarded.

8. For a well completed less than a year, production and royalty payments by months to be shown. If a well has been in production more than a year, the first six months and the last six months of production to be shown.

Wide Royalty Market Exists in Toronto

With a large proportion of new wells spudded in at the north end of Turner Valley financed by eastern Canada, a broad market in oil royalties has developed, principally in Toronto.

Perhaps 50 producing oil royalties are now traded on the Toronto unlisted market while almost as many drilling royalties are being offered on the same market. Market for drilling royalties is stressing the north extension of Turner Valley where many wells are being drilled.

Those interested in the market for drilling royalties are watching such wells as the Ace 2 and the Inland Sarcee wells, expected to be the first completions in the north end area where there are as yet no producing wells. The Ace 2 well, several miles north of proven productive acreage, is well advanced in drilling at around 6,500 ft., and another month or two should see it completed. The Inland Sarcee which is in the extreme north has been making rather slower time, is now down 4,955 ft.

In the north Turner Valley extension the first drill logs have shown rock formations of somewhat greater thickness than in wells to the south, but formations lower down have tended to thin out slightly and it is possible that drilling depths will show no great variation from those in wells to the south. According to Dr. J. O. G. Sanderson, the Inland-Sarcee well may be completed around 7,500 ft. depth.

The Financial Post gives below offerings on oil royalties supplied by sources believed reliable. It is understood that in the majority of cases, oil royalty dealers are maintaining bids on royalties at some 20% below the offering price to the public.

OIL ROYALTY DEALERS OFFERING PRICES

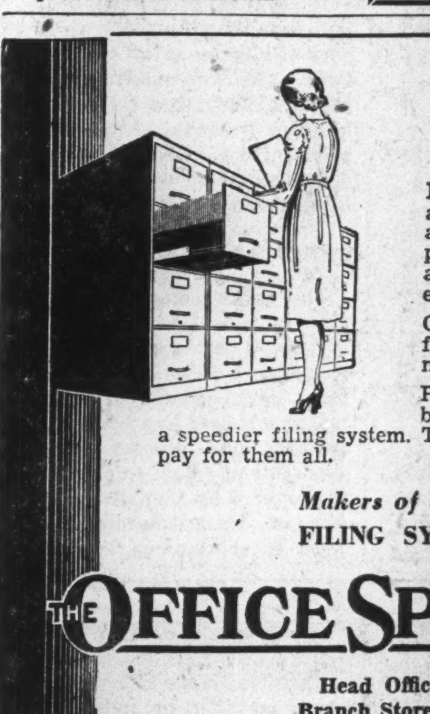
Producing Royalties

Royalty:	Daily Quota bbls.	Offering Price per 1% $
Ace No. 1 gross	593	*7,500
Alta. Oil Inc. No. 1 gross	143	3,300
Alta Oil Inc. No. 1 net	143	1,200
Alta Oil Inc. No. 2 gross	555	8,100
Alta Oil Inc. No. 2 net	555	6,400
Allied No. 1 pfd.	100	1,600
Arrow No. 1 net	200	2,600
Arrow No. 2 net	207	2,600
Atlas No. 1 net pfd.	146	1,700
Atlas Br. Dom. No. 2 pfd.	909	8,600
D. & D. net pfd.	87	1,500
Drillers & Prod.	250	4,250
East Crest No. 5	144	2,300
Harris No. 2 gross	90	2,500
Harris No. 2 pfd.	90	1,750
Independent No. 1 pfd.	252	3,800
Independent No. 1 gross	252	4,200
Major Oil No. 1 pfd.	171	2,700
Major Oil No. 1 gross	171	2,900
Major Oil No. 2 pfd.	805	8,500
Major Oil No. 2 gross	805	10,400
Major Oil No. 2 dfd.	805	5,500
Major Oil No. 3 pfd.	1,009	10,400
Major Oil No. 3 gross	1,009	.....
Major Oil No. 3 dfd.	1,009	7,000
Major Oil No. 4 pfd.	647	7,700
Major Oil No. 4 gross	647	9,200
Miracle No. 1 pfd.	791	8,300
Miracle No. 1 dfd.	791	6,000
Miracle No. 1 gross	791	10,400
Miracle No. 2 pfd.	862	9,000
Miracle No. 2 gross	862	10,600
Renown No. 1 pfd.	137	1,800
Royalite-Model No. 1 gross	207	4,600
Sunset No. 1 gross	107	2,500
Sunset No. 2 gross	91	2,000
Twin Valley No. 1 gross	181	4,300
United Assets (debent.)	210	100
Vulcan Brown gross	173	4,000
Vulcan Brown net	173	3,100
Winalta No. 1 pfd.	108	2,000
York No. 1 gross	98	2,250
York No. 2 gross	96	2,250

Drilling Royalties

Royalty:	Drill Depth ft.	Offering Price per 1% $
Ace No. 2 pfd.	6,464	*4,375
Adanac pfd.	1,312	*4,375
Admiral pfd.	2,280	*4,375
Bonaventure pfd.	3,010	*4,375
Candn. Deposit. No. 1 pfd.	....	*4,375
Drillers & Prod. (unit) No. 1	prod.	106
Gem No. 1 pfd. net	7,150	4,050
Hastings pfd.	3,718	*4,250
Inland Sarcee No. 1 pfd.	4,955	4,000
Inland Sarcee No. 1 gross	4,955	5,000
Lion-Davies No. 1 pfd.	169	*4,200
Major Oil No. 5 pfd.	2,588	*4,375
Major Oil No. 5 gross	2,588	5,500
Major Oil No. 6 pfd.	5,488	6,800
Major Oil No. 6 gross	5,488	8,000
Major Oil No. 7 pfd.	4,625	*4,375
Major Oil No. 7 gross	4,625	8,000
Major Oil No. 8 pfd.	5,699	*4,375
Major Oil No. 8 gross	5,699	8,000
Major Oil No. 9 pfd.	6,378	*4,375
Major Oil No. 10 pfd.	5,072	*4,375
Major Oil No. 10 gross	5,072	5,700
Major Oil No. 11 pfd.	4,174	*4,375
Major Oil No. 12 pfd.	5,480	*4,375
Major Oil No. 12 gross	5,480	5,600
North Clonmell No. 1 pfd.	....	*4,375
North Cross No. 1 pfd.	1,575	*4,375
Northcross No. 1 gross	1,575	5,000
Northend Pete. No. 1 pfd.	5,485	5,400
Northend Pete. No. 1 gr.	5,485	7,000
Northend Pete. No. 2 pfd.	1,576	5,300
Northend Pete. No. 2 gr.	1,576	5,600
Northend Pete. No. 3 pfd.	3,924	5,500

*Pegged price.



Doubling Up!

Many business offices these days, depleted in personnel and confronted with a larger volume of work than ever, are jammed with unfinished work and unanswered correspondence. Good customers, who were once so hard to get, are left kicking their heels. Information which some day, even tomorrow, may be invaluable is no longer tabulated.

Good work, fast work, intelligent work are hampered and fettered by outmoded and inconvenient equipment. Dinginess breeds carelessness . . . and obsolescence, inefficiency.

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Now from other battle fronts he appeals to you again. Will you go all the way to give him the support he must have?

FOR THE DURATION of the war he has dropped his job, his education, his opportunity for advancement, his home ties, and has gone out to face hardship and death. You too must drop your old ideas about rights and privileges and financial gain. You must deliberately choose to produce the difficult and exacting items required for our defence in preference to the more profitable and simplified production of peace-time.

This job cannot wait. It cannot be carried on in a leisurely, comfortable way. Each and every one must achieve things we formerly thought impossible.

This message is issued by The Department of Munitions and Supply for Canada

BRAVE MEN SHALL NOT DIE BECAUSE I FALTERED

Prospectors Plan War Metals "School"

Gold Search Suspended but Critical War Metal Situation Opens New Vistas

Re-orientation is the order of the day for Canada's prospecting industry.

With development of new gold mines apparently practically suspended for the duration, attention of the mining fraternity is more and more being focussed on war metals — ordinary non-ferrous metals, because we haven't sufficient to meet war requirements let alone civilian requirements; strategic war metals, because the war in the Far East and a strained shipping situation have interfered with our normal supplies.

For the first time in Canadian history, prospectors will look for sub-commercial as well as commercial deposits. Metals Controller G. C. Bateman has stated that "if conditions become more critical, the marginal and sub-marginal deposits of today may become the essential mines of tomorrow." No chances must be overlooked on the metals front in fighting the totalitarian axis type of war.

Recently the mining men who compose the executive of the Ontario Prospectors' and Developers' Association were talking together about war metals in relation to coming 1942 prospecting activity. They agreed that in spite of all the publicity given to the need for war metals two all-important angles had been relatively neglected:

1. It is known only in the most general terms what minerals are wanted and little is known about which metals Canadian authorities consider most important.

2. It was agreed that many of the war minerals would not be recognized in the field if a prospector did come upon a deposit.

Decided on "Get Together"

The Ontario Prospectors' and Developers' Association executive, headed by President George A. MacMillan and its active secretary, his wife, Mrs. Viola MacMillan, decided something should be done about it. R. J. "Bob" Jowsey, Walter Segsworth, J. P. Dolan, Arthur Cockshutt and Karl Springer, the other members on the executive, agreed that the information could be "put across" only by getting the prospectors together.

Following conferences with the Metals Controller, the Dominion Department of Mines and Resources and the Ontario Department of Mines, a series of lectures for a practical approach to the problem was arranged early this week. "Talks on war metals" have been arranged for Apr. 9, 10 and 11 at the Royal York Hotel in Toronto, to be repeated at the Park Lane Hotel in Kirkland Lake on Apr. 13, 14 and 15.

Experts to Speak

A large group of technical experts on war metals will be gathered to deliver the series of lectures. Either Metals Controller George C. Bateman or his assistant G. C. Monture will speak at a dinner on April 10. Hon. Thomas A. Crerar, Dominion Minister of Mines and Resources, has signified his intention to be present and Hon. Peter Heenan, Ontario Minister of Mines is also expected to be there.

Signifying his approval of the "conference," Metals Controller George C. Bateman has forwarded the following message to George A. MacMillan, president of the Ontario Prospectors' and Developers' Association:

"We heartily approve of the efforts being made by the Ontario Prospectors' and Developers' Association to stimulate the prospecting for essential war materials through the holding of classes in Toronto and Kirkland Lake. We consider this a forward step on the part of the organization and extend our thanks for the efforts you are making."

Mr. Crerar said:

"I am pleased to concur in arrangements which your association has made with the officers of my department to assist in holding a series of lectures to prospectors and developers at Toronto and Kirkland Lake in April. I trust that these lectures will stimulate finding and development of needed supplies of war minerals."

Situation Radically Changed

Prospectors classes were given a few years ago but were not an unqualified success. Gold was being sought then and most prospectors knew what was wanted, didn't need classes.

Today the situation is different, prospectors don't know about war metals—and want to know. Two of Canada's leading mining organizations have already announced that their entire field staffs will literally go back to school, taking in the classes. The Ontario Prospectors' and Developers' Association is arranging that every holder of a mining license in Ontario—about 3,500 people—will be notified of the course of lectures which will be given by authorities of the Dominion Department of Mines at Ottawa and the Ontario Department of Mines.

To Give Practical Details

The lecture series will be delivered by authorities on the metal concerned—in one or two instances by perhaps the most outstanding authority in Canada. The general idea of the talks will be to give the "geological background" of a metal, the nature of the deposits indicated and something about the minerals themselves, their characteristics and appearance of their ore.

The speakers of the Dominion Department of Mines will bring with them 25 or more specimens of most of the minerals to be passed around so the prospectors will have some first hand experience in recognizing them.

Morning and afternoon sessions will be devoted to lecture series followed by discussions. Evenings will be thrown open to further discussion. The idea is to compress a maximum of information into the three days. The lecture series might have been continued far beyond three days but it was thought this might break into the start of the prospecting season.

Will Give General Survey

On the opening day of the series of meetings, the general mineral situation in Canada will be reviewed by Dr. M. E. Weeks, geologist of the Geological Survey of the Dominion Department of Mines and Resources. Later he will talk on mica, graphite and apatite as minerals and their deposition in Ontario, Quebec and Canada in general. He will also speak on fluorite and molybdenite in Canada.

Dr. A. W. Jolliffe of the Geological Survey will speak on the scheelite (tungsten) deposits of the Yellowknife area and will give a brief talk on war minerals in general and their occurrence in Canada. Dr. Jolliffe has made a first-hand study of tungsten deposits in the Yellowknife area.

Chromite as a mineral and deposits of it in Quebec and Canada will be discussed by Dr. J. Willis Ambrose of the Geological Survey. He will also review the minerals tin and titanium and their occurrence.

Dr. H. M. A. Rice, the fourth spokesman of the Geological Survey, will discuss copper, zinc and lead minerals in Canada.

The Ontario Department of Mines is providing four speakers for the series. Dr. M. E. Hurst will speak on war minerals in Ontario. Iron possibilities in Ontario and Canada will also be discussed.

Dr. W. D. Harding will speak on "Cobalt Minerals and Deposits in Ontario and Canada."

Manganese—the No. 1 strategic war metal—will be reviewed by Dr. John Satterly who is also to speak on arsenic.

Dr. H. C. Horwood will cover nickel and copper deposits in Ontario.

Past Work Valuable

Geological survey work of the last two years has paid particular attention to war metal possibilities. This will undoubtedly form an important base on which to build the present prospecting effort. Certain areas have been outlined as possessing war metal possibilities. Certain other areas do not appear so encouraging. When production is being considered from even sub-commercial deposits, of course, some areas that would not appear to be good war metal ground may possess real possibilities. For instance up in the Yellowknife area—as Dr. Jolliffe has pointed out—there are known to be several hundred tungsten-bearing veins. No one has yet been sufficiently interested in the profit possibilities of these veins to undertake large-scale development. But if a profit doesn't have to be shown, some of them may be the answer for larger tungsten production.

Government is Helping

Concern continues to be felt in mining circles over the number of men that may take the field in the metals search this year. Many companies have felt it necessary to curtail their prospecting efforts sharply as financing of new projects was felt an almost impossible task in view of falling stock markets. However, it is believed that some of the larger companies with reserves may increase their exploration appropriations as an aid to the war effort. The Dominion Government has been assisting in financing plant facilities for a number of strategic metal deposits and if a worthwhile deposit is found of a badly-needed metal, chances appear good for securing some government assistance.

Metals Controller George C. Bateman stated at the annual convention of the Canadian Institute of Mining and Metallurgy recently, that the government is financing development of deposits of strategic minerals.

Timm Stresses Great Need

As our war effort accelerates further and our stock piles of strategic minerals become lower, the accent will probably be on more rather than less government assistance in opening up war metal deposits. Here is what Dr. W. B. Timm, Director of Mines and Geology Branch, Dominion Department of Mines and Resources, said recently of Canada's mineral situation:

"The fact is that Canada is already experiencing real difficulty in obtaining supplies of some of its deficient minerals and there is little likelihood of any real improvement. Thus the need for every effort to attain the greatest possible degree of self-sufficiency in respect to mineral supplies. Canada must have these minerals and every new source of supply that may be disclosed will be a real contribution to the war effort."

Acquainting the prospector with war metal fundamentals is felt to be the first step in meeting a great challenge to Canada's mining industry.

Mining Concentrates

Beaver Silver shareholders will meet in Beaverdell on April 2 to consider a proposal whereby Highland-Bell Ltd. will be asked to mine Beaver Silver ore on a royalty basis, or in the alternative, to purchase the fraction outright. Development of the Highland-Bell 8-level has indicated the extension of an ore body, carrying a high average grade of silver, into the Beaver Silver property. This development is on a much lower horizon than previous workings. The Highland-Bell company holds a million of the 1.6 million shares of Beaver Silver issued.

* * *

Black Lake area, Quebec, is being gone over again for chrome possibilities through an Ottawa created fund, it is reported. A 500 to 1,000-ton concentrator is stated to be a possibility.

* * *

Cochenour Willans Gold Mines has declared a dividend of 3 cents a share payable April 20 to shareholders of record April 1. This is the second dividend of 3 cents a share to be declared in the current fiscal year. It involves a distribution of $98,849.

* * *

Danrod Malartic Syndicate is sending in a crew again to its 1,000-acre property southeast of Malartic Gold Fields. The men will go in as soon as the snow disappears and will follow up the results of the magnetometer survey.

* * *

Highland-Bell's exploratory "Matson" crosscut has encountered a reportedly rich silver-bearing vein about 160 ft. in the hanging wall of the main productive vein.

* * *

Hollinger's Ross mine realized a profit of $154,827 after deductions for taxes and depreciation in 1941. Ore reserves at Dec. 31, 1941, totalled 757,500 tons averaging $8.14 a ton, a decrease of 37,243 tons and of $66,033 in contained value. It was necessary to curtail the amount of development in 1941 to extend the depth of the main hoisting shaft.

* * *

Kirkland Lake Gold Mining Co. has declared a semi-annual dividend of 4 cents a share payable May 4, 1942, to shareholders of record April 4. Ex-dividend date is April 1. This is a reduction from the usual semi-annual 5 cents a share due to the Kirkland Lake strike.

* * *

Mace Mine, whose property is being explored by Hollinger Consolidated from its 1,700, 2,750 and 3,350 ft. levels, had some short sections of ore indicated in drifting in 1941.

* * *

Nickel Offsets is reported to have opened a 13-ft. width of massive mineralization in preliminary work on its new 350-ft. level. Nearby diamond drill holes disclosed a grade of 4% nickel and 2% copper for true widths of 13 to 20 ft. James W. Baker is consulting engineer and Walter Riddell is mine manager.

* * *

Pascalis Gold Mines anticipates treatment of ore at the Cournor mine in the same locality.

* * *

Proprietary Mines has declared a dividend of 5 cents a share payable April 29, 1942, to shareholders of record April 15. A dividend of similar amount was paid Feb. 28, 1942.

* * *

Red Rose tungsten property of Consolidated Smelters is storing supplies of tungsten concentrates pending conditions suitable for shipment. An effort is being made to acquire a disused aerial tram line in the Usk district for installation at the mine. From 35 to 40 men are reported employed with work proceeding satisfactorily. Major Angus Davis is in charge.

* * *

South American Gold & Platinum Co. has declared dividend of 10 cents a share, U. S. funds, payable Mar. 31, 1942, to shareholders of record Mar. 20. Last previous payment was 10 cents Sept. 22, 1941.

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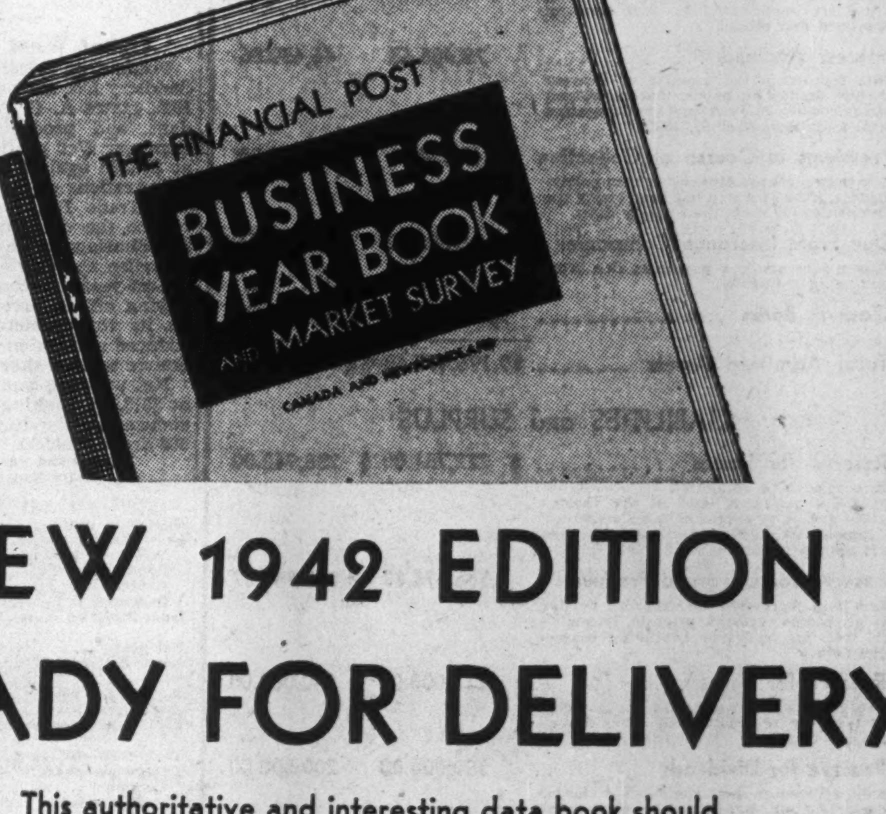

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Further Curbs on Sugar For Industry "Unlikely"

By STAFF WRITER

OTTAWA. — Industrial users of sugar in Canada need not fear further curtailment of supplies in April corresponding to the additional cut now being mooted in the United States, The Financial Post is informed.

In the United States, orders are being prepared to cut April deliveries to persons who receive sugar direct from refiners to 70% of the amount they used or resold during April, 1941. In some areas the actual ration may be considerably less than that due to sheer inability to obtain supplies. There is plenty of sugar in Cuba and elsewhere, but shipping is simply unavailable to get it into the United States. Some refiners are said to be unable to operate due to lack of raw material.

In Canada, although a sugar ration has been imposed, there are ample stocks to see Canada through the immediate future. What may happen after that is anyone's guess. Customary monthly figures of the Dominion Bureau of Statistics are no longer published to show consumption, stocks of sugar on hand, etc.

However, it is understood that in spite of a rush to stock up in many parts of the country during January, there has been a "substantial" reduction in consumption as indicated by trade figures — a reduction which speaks volumes for the willingness of Canadians to co-operate in a clear-cut voluntary restriction of the type imposed at the end of January by the Prices Board and the Sugar Controller.

MOVES UP

A. F. Muth, F.A.S., F.A.I.A., actuary of the Industrial Life Insurance Co., has been named assistant managing director of the company. J. K. Leonard is president and managing director.

More Subsidies For Domestic Producers

By STAFF WRITER

OTTAWA. — At the moment, everything points to increased subsidies on domestic merchandise rather than any general puncturing of the retail ceiling.

The argument is something like this:

To subsidize a key commodity might cost the treasury, say $15 per unit. If prices were allowed to rise, the increased cost to the public might total not $15 but as much as $25 due to pyramiding of sales tax, etc.

As well, there would be a kickback in terms of the cost-of-living index if the commodity were an important "necessary of life." Thus a price rise of the type indicated above, might conceivably cause an increase of a like amount (or more) in wage costs when translated in terms of the cost-of-living bonus.

It is argued therefore that the national well-being benefits rather than loses to a very substantial degree if subsidies are paid outright to the manufacturer or processor rather than a secondary wage-price spiral set in motion through puncturing of the ceiling.

Company Reports

Stanfield's Ltd.

Earnings of Stanfield's Ltd., Truro, N.S., showed a moderate decline during 1941, net on the common being $12.90 a share against $13.72 a share in 1940. Working capital shows some strengthening to $1.5 million with cash on hand and in the banks up over $90,000 to $688,996.

Surplus account shows as deductions the $2.50 dividend paid July 15, 1941, and the payment of the same amount which did not become payable until Jan. 15, 1942.

Income and Surplus Account
Years ended Dec. 31

	1941	1940
	$	$
Net profit	129,006	137,201
Less: Divds. paid or payable	50,000	25,000
Surplus for year	79,006	112,201
Add: Prev. surplus	426,399	314,198
Surplus forward	505.405	426.399
Earned per Share	$12.90	$13.72
Paid	5.00	2.50

Working Capital

	1941	1940
	$	$
Current assets	1,869,849	1,766,714
Current liabilities	351,261	314,139
Working capital	1,518.588	1,452,575

C. N. Steamships

Canadian National (West Indies) Steamships, Ltd., reports a gain of 17.50% in operating revenues for 1941 and a rise of 10.64% in operating expenses. The result is a surplus of $594,216 for the year compared with a deficit of $12,734 for 1940.

Accumulated deficit on the balance sheet is reduced to $10.1 millions. Cash surplus for the year, amount by which operating revenues exceeded operating expenses and bond interest, was $1.2 million against $666,102 in 1940. This amount is to be paid to the government on account of interest on advances.

Two ships were lost through enemy action last year. The Lady Somers was lost while serving as an auxiliary cruiser and the Lady Hawkins was lost on Jan. 19, 1942. Two vessels, the Dalwarnic and Canatco, owned by Canada Atlantic Transit Co., a subsidiary of the Canadian National Railways, have been transferred to the West Indies trade, replacing two vessels assigned for service in the Far East.

Consolidated Income Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating revenue	6,756,464	5,750,341
Less: Oper. exps.	5,029,107	4,545,307
Net revenue	1,727,357	1,205,035
Less: Bond interest	470,000	470,000
U. S. exchange	51,700	68,933
Amort. bond disc.	3.094	3,094
Int. due govt.	346,701	346,661
Depreciation	262,645	329,080
Surplus for year	593,216	*12,734

*Deficit.

Interprovincial Brick

Interprovincial Brick Co. in 1941 had a net profit of $3,288 against nil for 1940. C. G. Greenshields, president, states that the improvement as compared with 1940 results from the continued activity in the construction industry during the year.

No dividends were paid during the year. Balance sheet as at Dec. 31, 1941, shows accounts receivable up almost $22,000 to $37,355 while inventories have increased by almost $15,000 to $54,320. Mortgage loan this year is shown at $90,672 owing to Cooksville Co. Last year this account was shown as $22,818 owing to Montreal Life Insurance Co. and $61,982 owing to Cooksville Co.

Income and Deficit Account
Years ended Dec. 31

	1941	1940
	$	$
Operating profit	25,666	8,624
Less: Exec. salaries	300	300
Int. on mtge. loan	948	5,629
Depreciation	20,408	2,696
Taxes	721	......
Net profit	3,288	nil
Less: Prev. deficit	162,468	162,468
Deficit forward	159,180	162,468

Working Capital

	1941	1940
	$	$
Current assets	98,964	59,913
Current liabilities	8,489	3,351
Working capital	90,475	56,562

Great West Saddlery

Volume of sales for Great West Saddlery Co. reached new levels in 1941, states A. G. A. Spence, president, and produced higher gross earnings. Net profit is also higher at $57,785 against $48,916.

Operations of the Wartime Prices and Trade Board are expected to reduce the company's gross markup. Shortages in materials and merchandise are also expected.

Last year, the company completed paying off all arrears of dividends on its first preference shares and reduced arrears on the second preference to $6 a share.

Net working capital is up slightly at $918,076. Sinking fund operations reduced outstanding bonds to $312,500 from $324,500.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Operating profit	186,441	147,101
Less: Exec. salaries	22,917	21,250
Directors' fees	900	200
Bond interest	18,990	20,235
Depreciation	25,300	24,000
Income & E. P. taxes	60,550	33,000
Add: Profit on invest.	......	500
Net profit	57,785	48,916
Less: Pref. divds.	37,543	26,220
Surplus for year	20,242	22,696
Add: Prev. surplus	93,701	71,005
Less: Addit. inc. taxes	18,650	......
Earned surplus fwd.	95,292	93,701
Earned per Share:		
Common	$0.83	$0.61
No dividends paid.		
Shares o/s.:		
1st prefer. $50 par	6,992	6,992
2nd prefer.; $50 par	1,158	1,158
Common, n.p.v.	39,871	39,871
Working Capital	$	$
Current assets	1,570,274	1,207,954
Current liabilities	662,198	295,190
Working capital	918,076	912,764

Western Steel Products

While volume of business handled by Western Steel Products Corp. in 1941 was substantially in excess of that for 1940, the sharp increase in war work compared to normal business resulted in a lower gross profit, states G. W. Hutchins, president.

Capital expenditures last year totalled $96,158, mainly to replace worn-out equipment and buy new tools for government contracts. Inventories are up $74,319 to $1.2 million of which 40% is work in progress. A further large share is materials to fill contracts on hand, leaving only a small share for civilian work. Debt was reduced last year by $35,000 to $628,000.

Manufacture of some of the company's products has been prohibited. Others have been rationed and shortages of materials curtails still others. Further restrictions in use of metals will come. It is evident, however, that both personnel and equipment will be strained to the limit during 1942 in production of war materials. Company earnings will decline as civilian lines disappear from production.

Income and Surplus Account
Years Ended Dec. 31

	1941	1940
	$	$
Gross profit	1,499,768	1,709,850
Less: Selling, admin. exp.	446,321	418,433
Depreciation	211,674	228,489
Executive sals.	34,394	33,075
Bond interest	32,429	33,710
Legal fees	3,008	2,735
Income & E. P. taxes	543,000	745,000
Add: Other income	22,708	24,187
Net profit	251,650	272,595
Less: Dividends	58,994	......
Surplus for year	192,656	272,595
Add: Prev. surplus	698,531	424,104
Profit on prop. sale.	12,205	1,832
Earned surplus fwd.	903,392	698,531
Earned per Share	$2.13	$2.31
Paid	0.50	nil
Shares o/s., n.p.v.	118,151	117,983
Working Capital		
Current assets	2,901,797	2,640,036
Current liabilities	1,179,420	1,203,312
Working capital	1,722,377	1,436,724

Holt, Renfrew & Co.

Existing world conditions have made it increasingly difficult to obtain certain types of merchandise, states Alvin J. Walker, vice-president and managing director, in the Holt, Renfrew & Co. annual report. Nevertheless, the company has been able to keep its stocks reasonably well assorted.

Income and Surplus Account
Years ended Jan. 31

	1942	1941
	$	$
Operating profit	207,693	268,171
Less: Mortgage int.	17,032	18,070
Other interest	15,236	26,841
Depreciation	62,798	66,334
Taxes	*	55,000
Net profit	112,626	101,926
Add: Previous surplus	650,686	549,788
Less: Tax adjust.	1,398	1,027
Surplus forward	761,914	650,686

* Taxes deducted before operating profit shown.

Earnings per Share:		
Preferred	$11.26	$10.19
Common	4.26	3.19

Working Capital

	1942	1941
	$	$
Current assets	1,546,218	1,482,896
Current liabilities	485,276	531,976
Working capital	1,060,492	950,920

Riverside Silk

Earnings position of Riverside Silk Mills Ltd. showed material improvement during 1941 with net profit up some 40% to $74,282.

Balance sheet at Dec. 31, 1941, shows some material changes in the make-up of current assets and liabilities on the year. Cash has increased to $314,274 from $138,568, while Dominion bond holdings are up $75,000 to $196,444. At the same time accounts receivable have declined to $86,871 from $355,245 and inventories are almost halved at $66,033.

Income and Surplus Account
Years ended Dec. 31

	1941	1940
	$	$
Net profit	74,282	53,484
Less: Class A divds.	60,000	60,000
Class B divds.	......	10,000
Surplus on year	14.282	*16,516
Add: Prev. surplus	497,697	519,235
Tax adjust.	5,286	x5,022
Debt adjust.	9,750	......
Surplus forward	527,015	497,697

* Deficit. x Deduction.

Earnings per Share:		
Class A	$2.47	$1.78
Paid	2.00	2.00
Class B	0.71	d0.33
Paid	....	0.50

d Deficit.

Working Capital

	1941	1940
	$	$
Current assets	669,916	739,483
Current liabilities	150,057	305,962
Working capital	519,859	433,521

Steel of Canada Runs All-out

Production and Sales in 1941 Largest on Record Says R. H. McMaster

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada handled in 1941 by far the greatest volume of sales and production ever reached by the company, according to the annual report submitted to shareholders by Ross H. MacMaster, president. The pressure for steel production increased steadily throughout the year, he added, affecting practically all classes of steel products manufactured.

Referring to plant capacity and operations, Mr. McMaster pointed out the company had undertaken expenditures of between $9 and $10 millions of its own resources for new plant facilities to satisfy war demand. Further outlays designed to expand capacity far beyond any discernible future needs can only be undertaken in the national interest. As a consequence, arrangements were entered into with the Dominion government whereby an advance of $4,150,000 was made for the construction of a new blast furnace stack and an additional open-hearth furnace.

Plate Mill Ready Shortly

Mr. McMaster reports a new plate mill commenced operations in April. Monthly production improved steadily from the start and at the close of the year exceeded rated capacity. In December the tonnage of steel ingot devoted to plates represented an annual rated consumption equal to practically three fifths of the maximum ingot production in any prewar year.

Reference was made in the report to the company's depreciation policy. Following this Mr. McMaster pointed out prewar prices of heavy steel products remain unchanged at the close of the year. As a result of the rising trend of costs, margins per unit have shown a steady decline and, in some cases, "have become quite inadequate."

Says Provinces Must "Share the Wealth"

Manitoba Treasurer Garson Says Means Must Be Found to Get Money Back to Provinces Whence It Comes

The Dominion-provincial tax agreement lacks the indispensable ingredient of any real solution to the treasury problem of most provinces, Hon. S. S. Garson, provincial treasurer, declared to the Manitoba Legislature in his budget speech. Mr. Garson said that "indispensable ingredient" is provision for an adequate redistribution of wealth from those provinces in which it accumulates back to those provinces in which it originated.

This redistribution of purchasing power is the keystone of a sound and strong financial policy for a federal state such as Canada, and without it, any reform of our system of public finance is incomplete and inefficient, Mr. Garson declared.

Canada is a federal state with an exporting economy unavoidably vulnerable to world conditions. Its exporting areas, notably the Canadian West, are particularly vulnerable to world conditions. Much of the wealth that is created in the exporting provinces of Canada tends to flow to and accumulate in the industrial provinces. As an exporting economy Canada is under the necessity of keeping to a minimum the costs of production of its exporting industries.

National Living Standards

These costs of production cannot be kept to a minimum and the national minimum standard of public services, cannot be provided, unless there is an adequate redistribution of wealth between provinces, he said.

The only effective method of effecting this redistribution, he went on, is by means of federal direct taxation of wealth coupled with federal support of social, educational and development services in all the provinces of Canada. The provincial taxation of profits in the form of income taxes and of wealth in the form of corporation and inheritance taxes can effect a redistribution of purchasing power from the rich to the poor within the boundaries of a given province; but this method is of relatively little use in the poorer provinces in which there is a relatively small number of wealthy persons.

Stop-gap Agreement

Mr. Garson termed the Dominion-provincial tax agreement as a "stop-gap device" to enable the Dominion for the duration of the war and one year thereafter to have the exclusive use of the income and corporation tax fields at the cost of paying the province just enough to get by on. He said that the $600,000 fiscal need subsidy to be paid to Manitoba under the agreement will not enable the province to enjoy an average Canadian standard of essential services.

On the financial operations of the provinces the actual results for the fiscal year ended April 30, 1941, and estimates for the current year and the fiscal year ending April 30, 1943, may be summarized as follows:

Years Ended April 30	1941	*1942	*1943
	— Millions	of $ —	
Revenues	18.8	18.8	18.0
Expenditures	17.9	17.6	17.9
Surplus	0.9	1.2	0.1

* Estimated.

Exact estimated surplus for the 1943 fiscal year is $75,716. The estimate of revenues for the 1943 year makes allowance for a reduction of receipts from liquor profits and for some reduction from automobile licenses. The latter item is regarded as being particularly vulnerable. A bill will be introduced to authorize execution of the new tax agreement with the Dominion. Other than this, no major change in existing taxation is contemplated.

Cut Debt

From May 1, 1940, to March 2, 1942, gross debt of the province has been reduced from $130.1 millions to $124.4 millions. This has resulted in a net reduction in annual interest charges of $233,256. Average rate of interest payable on the maturing bonds was 4.918% as compared with 3.516% payable on the refunding bonds, a net reduction of 1.402%.

On the province's present operating position Mr. Garson pointed out that the fiscal need subsidy of $600,000 along with other fixed items now constitute slightly over two-thirds of the province's total revenues. About one half of the remaining third which is variable, is made up of automobile licenses and profits of the Liquor Control Commission. So far these revenues have held up remarkably well, but they could be rapidly pulled down by rationing, heavy federal taxation and other wartime policies of the Dominion Government. The remaining variable revenues are in much the same position. The best, therefore, that the province can hope for is a maintenance of its revenues while there is a possibility they will decline.

Economy Difficulties

As to expenditures the province entered the war before it had completely emerged from the depression. Having made drastic cuts in expenditures during the depression, which had only been partially restored by Sept., 1939, the scope for further economies is now limited. Of the economies now available the natural reduction in unemployment relief would appear to be the most substantial. However, this has been heavily discounted in the fixing by the Dominion Government of the fiscal need subsidy at $600,000 which is $150,000 less than the special grant the province was previously getting from the Dominion.

On the other hand, owing to an increased cost of living and of doing business and future wartime expenditures which cannot be foreseen the province faces inevitable increases in the cost of maintaining and operating its public services and institutions.

N. S. Worried About Apple Juice

From Our Own Correspondent

MONTREAL.—Nova Scotia's apple juice industry has been hit hard by the Ottawa order prohibiting use of tin containers, according to Nova Scotia agricultural department authorities.

Producers are experimenting with other types of containers, particularly glass bottles. Whether the cost of such a change is prohibitive is not yet determined.

Last year 101,063 barrels of low-grade apples were processed to produce 217,621 cases of apple juice valued at approximately $316,431. This type of apple will be sold for livestock feed in the current year unless producers develop another type of container for apple juice.

Quebec Limits Milk Deliveries For Duration

One milk delivery per day only is permitted in Quebec from March 15, according to an order issued by the Quebec Dairy Commission. The order affects the whole province.

Special caps on milk and cream bottles also are prohibited.

There is an exception in respect to deliveries made for hospitals, charitable institutions, military camps, training centres, aviation schools, steamship and railway companies and, moreover, in cases where a milkman does not make a Sunday delivery he is allowed to make two deliveries on Saturdays.

Hansons & Macaulay Ends Partnership

MONTREAL.—Hansons & Macaulay, member of the Montreal Stock Exchange and Montreal Curb Market, has dissolved partnership. J. George R. Shuter has joined the firm of Burnett and Co. and will continue to look after the clientele of Hansons & Macaulay.

Two other members of the firm, Major N. H. Macaulay and Squadron Leader G. S. Harrower, are both on active service.

Individual Statements of the

Hardware Mutuals

as of December 31, 1941

As Filed with Insurance Departments

ASSETS	Federated Hardware Mutuals — Hardware Dealers Mutual Fire Insurance Company, Home Office: Stevens Point, Wisconsin	Minnesota Implement Mutual Fire Insurance Company, Home Office: Owatonna, Minnesota
Bonds*	$7,041,994.83	$5,623,191.53
This item represents U. S. Government, State, Dominion and Provincial, Municipal, Public Utility, and Railroad bonds of the highest grade, which are valued on an amortized basis.		
Real Estate	26,098.20	432,008.64
This represents real estate owned by the Companies.		
Mortgages	12,628.00	3,000.00
These are represented by first liens on improved real estate.		
Interest Accrued	28,405.43	46,450.06
This represents the amount of interest already earned on bonds, mortgages, and bank deposits, but not due the Companies until after December 31, 1941.		
Premiums in Course of Collection	343,184.66	363,089.90
This represents premiums due from policyholders, none of which has been owing the Companies for more than ninety days.		
Due From Insurance Companies	5,308.02	20,110.56
This represents loss payments due from reinsuring companies.		
Cash in Banks	1,738,858.34	1,149,461.00
Total Admitted Assets	$9,196,477.48	$7,637,311.69

LIABILITIES and SURPLUS

Reserve for Losses	$ 222,751.00	$ 238,940.00
This reserve is computed in accordance with the insurance laws of the various states and is in excess of the Companies' estimated liability on all losses incurred but unpaid on December 31, 1941.		
Reserve for Unearned Premiums	4,566,678.89	4,805,842.37
This item represents the unearned portion of premiums received prior to December 31, 1941, for insurance extending beyond that date.		
Reserve for Taxes	121,000.00	140,000.00
This reserve is set aside for the payment of taxes on premiums and other miscellaneous taxes.		
Reserve for Dividends	300,000.00	200,500.00
This represents policyholders' dividends declared but not payable until after December 31, 1941.		
Reserve for Other Liabilities	35,360.70	58,355.98
This is to provide for the payment of amounts not yet due for miscellaneous operating expenses.		
		(Contingency Reserve)
General Voluntary Reserve	430,000.00	300,000.00
Guaranty Fund	$ 200,000.00	$ 200,000.00
Surplus	3,320,686.89	1,693,673.34
Surplus to Policyholders	3,520,686.89	1,893,673.34
Total Liabilities and Surplus	$9,196,477.48	$7,637,311.69

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